



Business Services Organisation
Annual Report and Accounts
For the year ended 31 March 2022

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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*

8 July 2022

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Contents	
Section	Page
Section A - PERFORMANCE REPORT	7
Statement from the Chief Executive	8
Report from Non-Executive Directors	11
Purpose and Activities of the Organisation	15
<u>Performance Analysis</u>	21
How did we perform in 2021/22?	26
Sustainability Report	28
Social & Community Involvement	34
Section B - ACCOUNTABILITY REPORT	36
<u>Corporate Governance Report</u>	37
BSO Board	38
<u>Directors' Reports</u>	40
<i>Chief Executive</i>	41
HSC Clinical Education Centre	42
HSC Leadership Centre	45
Encompass	47
Shared Services	49
<i>Operations Directorate</i>	64
Procurement and Logistics Service	67
Family Practitioner Services	72
Counter Fraud and Probity Services	75

HSC Pensions Service	77
<i>Customer Care and Performance Directorate</i>	79
Customer Care and Performance	81
Equality Unit	84
The Office for Research Ethics Committees Northern Ireland (ORECNI)	85
Information Technology Services (ITS)	87
Honest Broker Service	99
<i>Finance Directorate</i>	101
Internal Audit	104
<i>Legal Services Directorate</i>	105
<i>Human Resources and Corporate Services</i>	108
<i>Corporate Services</i>	110
Statement of Accounting Officer Responsibilities	113
Governance Statement	115
<u>Remuneration and Staff Report</u>	135
Remuneration Report	136

Contents	
Staff Report	142
<u>Accountability and Audit Report</u>	148
Accountability Report	149
ANNUAL ACCOUNTS FOR YEAR ENDED 31 MARCH 2022	152
Foreword	153
Certificate of the Director of Finance, Chairman and Chief Executive	154
Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly	155
Statement of Comprehensive Net Expenditure for the year ended 31 March 2022	160
Statement of Financial Position as at 31 March 2022	161
Statement of Cash flows for the Year Ended 31 March 2022	162
Statement of Changes in Taxpayers' Equity	163
Notes to the Accounts	164

Section A

PERFORMANCE REPORT



Karen Bailey
Interim Chief Executive

Statement from the Chief Executive

Welcome to the Business Services Organisation (BSO) Annual Report and Accounts 2021/22. During this period, the impact of COVID-19 has continued to present many challenges, but I am proud to say, the resilience of our colleagues has encouraged them to explore alternative opportunities for our organisation to work differently, and in many ways, smarter. Like many HSC organisations, the vast majority of our colleagues continue to work from home, ensuring we manage the risks associated with COVID-19 whilst delivering high quality valued services to our customers and stakeholders

BSO remains committed to supporting our HSC colleagues right across the system to deal with the extraordinary events which continue to place unprecedented demand on our system. I would like to acknowledge the dedication and commitment of BSO employees who have continued to deliver essential services to the Health and Social Care system as the reverberations of the disruption caused by the ongoing impact of the COVID-19 pandemic continued. This Annual Report covers the period 1 April 2021 – 31 March 2022 and it reflects a strong performance against our Business Plan objectives on which you will find a detailed report from page 21. 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.

The BSO faced a number of challenges this year, some of them unprecedented such as ensuring that appropriate arrangements were in place for the migration of Health and Social Care Board (HSCB) employees to the BSO as a result of the closure of the HSCB. On 31st March 2022 the HSCB closed and the Strategic Planning and Performance Group (the Group) was established on 1st April 2022. Following the establishment of the Group all functions of the former HSCB transferred to the Department of Health (DoH). The Group will be directed by and report to the DoH. BSO will become the 'Host Employer' for staff of the former HSCB ensuring that all staff within the Group retain HSC Terms and Conditions of Employment. Throughout 2021-22, BSO successfully worked in collaboration with a number of colleagues from HSCB, DoH and the Public Health Agency (PHA) to ensure a smooth and seamless transition of this unprecedented and complex process.

During this year, BSO has continued to focus on our growth and development strategy and developed a robust Governance Framework to support Growth proposals with our customers. In

late 2021, the BSO successfully implemented its Family Practitioner Payments System (FPPS) within NHS Wales Shared Services Partnership (NWSSP). This project was the first of its kind, whereby BSO ITS has entered into a joint venture with NHS Wales to provide services. This project has now been successfully delivered and FPPS is now live and running in parallel with NHS Wales's existing solution. FPPS will be the sole system from April 2022. I would like to congratulate all involved in the successful delivery of the programme, which is testament to the knowledge and skills within BSO. The Family Practitioner Services (FPS) are working on the establishment of a NI Drug Tariff Intelligence Unit (NIDTIU) within Pharmaceutical (FPS). The establishment of this Unit is necessary for the Department to fulfil its statutory obligation to ensure that remuneration to pharmacy contractors is fair and appropriate. The Unit will be responsible for the routine gathering, compilation, manipulation and utilisation of data that reflects local market conditions and is as a result of the out-workings of the FPS Workforce Review.

Our existing Corporate Strategy 2018/21 which was published in 2018 was extended for two years in agreement with the Department of Health Sponsor Branch due to the pressures being experienced across the HSC in relation to the pandemic and the challenges in developing a new strategy in that context. An Annual Business Plan was developed for the 2022/23 year to outline the BSO objectives and actions for this current year in light of this agreement.

Since 2018, our staff have delivered 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 2022/23 year, we will have the opportunity to refocus our priorities by developing our new Corporate Strategy. We look forward to engaging with our stakeholders on the priorities for BSO that will see the organisation continue to deliver a first-class service to our partners across Health and Social Care.

During this year, the BSO not only maintained Investors in People (IIP) Silver Accreditation, but we improved on our previous outcome across all nine indicators. Given the difficult circumstances and other high-level priorities, this was a huge achievement for our staff and the Organisation. This accreditation is our way to continuously monitor how we operate for our people and ensures that we make necessary improvements so that the BSO remains an excellent place to work. We would like to thank all those that took part in the online survey. A massive 56% of our staff took time out to provide valuable feedback, which contributes to the report and went towards our accreditation. A

special thanks to the staff who met with the IIP Consultant on a one-to-one basis. These honest conversations allowed the IIP Consultant to delve a little deeper into the online survey data and get a clearer understanding of what it is like to work in BSO.

The Organisation's accreditation lasts for the next three years and, in line with IIP's recommendations, BSO will continue to make improvements in people management throughout the organisation.

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 again express their gratitude to BSO Staff at every level for the effort they have given to the current challenges around the ongoing COVID-19 pandemic. The ever-evolving circumstances have ensured that we all have had to change the way we live and work on a day-to-day basis.

The Board acknowledges the gravity of the efforts made by many individuals and teams, in delivering our services. The dedication and professionalism shown by staff has made a significant difference in supporting the wider focus across Health and Social Care.

Strategic Priorities

Throughout this year, the Board has continued to oversee the 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. In light of the circumstances arising from the pandemic, the DoH agreed to extend the life of the current Corporate Plan for 2 years until 31st March 2023. This will allow time to refocus across Health and Social Care before we begin the process of developing new plans.

Throughout this year, progress against the achievement of the objectives set out in the Corporate Plan, was continuously reviewed, monitored, and reported to the BSO Board, demonstrating good progress across all areas. These achievements are welcomed, particularly, in the current climate.

The BSO Corporate Objectives will continue to be the focus of our work during the final year of our extended 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

Despite the challenges COVID-19 has presented, the Board has continued to engage positively with staff and key stakeholders throughout the year, through a series of meetings and presentations, some of which are highlighted below:

- In May 2021, the Board received a presentation from the Senior Programme Manager of the Equip Programme containing an overview of the programme which included significant milestones and challenges within this complex programme of work.
- In April 2021, the Interim Director of Operations provided a presentation consisting of the response provided by PaLS employees throughout the COVID-19 pandemic.
- In August 2021, the Board's Disability Champion presented the Five-Year Review of the BSO Equality Scheme which is a mandatory requirement for all public bodies.
- In September 2021, the Chair participated on the shortlisting panel for the BSO Recognition Awards applications. The awards ceremony was held remotely on 22 October 2021. After this event, the Chair visited various BSO locations in person to distribute the awards to the winners who were all employees of BSO.
- In December 2021, the Assistant Director of Human Resources provided a presentation consisting of the key highlights and significant developments involving the migration of HSCB to BSO due to take place in April 2022.
- In December 2021 the Programme Director of the HSC Digital Programme provided a presentation to the Board on the HSC Digital Shared Services Programme setting out the vision for the future including the significant milestones and implications for BSO.
- In December 2021, representatives from the NIPACS+ Programme provided a presentation to the Board in relation to the HSC Digital Pathology Project.
- In December 2021, representatives from the HSC Leadership Centre presented the findings and recommendations following the independent review carried out within the Directorate of Legal Services.
- In January 2022, the Head of the SBRI provided a presentation to the Board in relation to the main functions, and benefits of this service. The presentation also focused on significant developments within the service; in particular the issues relating to funding and the relocation of this service to PaLS as the newly created Market and Innovation Development Unit.

Board roles, responsibilities and moves during 2021/22

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 positions were held by Board Members as follows:

- Mr Robert Bannon chaired the Business and Development Committee.
- Mr Sean McKeever 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.
- Mr Mark Campbell undertook the role of the Whistle Blowing Champion.

During the period of this report,

- Mrs Karen Bailey, Interim Chief Executive continued in this post on an interim basis.
- Mr Mark Bradley continued as the Interim Director of Customer Care & Performance.

Two of our Executive Directors left the organisation to retire during this reporting period.

- Mr Peter Wilson, Interim Director of Operations retired in February 2022. Mr Martin Bradley was appointed Interim Director of Operations in March 2022.
- Mr Alphy Maginnis retired from the organisation on 28th March 2022. Mrs June Turkington was appointed Interim Chief Legal Adviser from 29th March 2022.

The Health Minister, Mr Robin Swann, MLA, reappointed Mr Sean McKeever as a Non-Executive Lay Member of the BSO Board on 13 November 2021. Mr McKeever's tenure as Lay Member of the BSO Board will end no later than 12 November 2025.

Looking ahead to 2022/23

It is worth noting that in February 2022, Northern Ireland entered a critical political phase, due to the resignation of the First Minister which subsequently resulted in the collapse of the NI Executive. A consequence of this was the delay to the implementation of a three-year health budget which is vital to supporting the transformation of our health services.

As the period for developing our new current Corporate Plan approaches, the Board looks forward during the coming year to the opportunity to engage with BSO staff and our partners across the HSC to develop the new Plan.

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 10 Arm's Length Bodies of the Department of Health and the Northern Ireland Fire and Rescue Service, 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



£2.3m

Legal Debt Recovery



90,000

Interpreting Service requests processed



Over 41,000

People Attended a CEC Programme



84,068

Activities completed by the Business Services Team



2.1m

Total Invoices paid



903,500

Dental Claim forms processed



418k

Pension payments made



43.2 million

Prescription items processed



85,000

Staff received the Staff Recognition Payment



701,000

Ophthalmic claims processed



243

Overseas nurses welcomed to HSCNI



Recruitment Centre supported the HSC to fill

12,410 posts



37,781

Email queries responded to by HR



58,661,915

Steps taken during our Move More in May Challenge



£510m

Income Debt Recovery



112,428

Hours spent providing Legal Support to HSC Clients

Corporate Mission, Values and Objectives

Our Mission:

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

Strategic Objectives and Values 2018/23

In order to help us fulfil our Mission, our Corporate Objectives for the period 2018/23 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 2018/23 is diagrammatically represented overleaf.



CORPORATE MISSION, VALUES & OBJECTIVES 2018-23

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



We Aim To ...

Corporate Response

By 2023, we will ...



Strategic Issues and Risks

Risk Management within BSO is recognised as an integral part of good governance and management practice. As an Arm's Length Body of the Department of Health, the BSO takes its lead from wider strategic vision and goals of the Department. 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 through a framework of good governance.

A number of specific risks were identified during 2020/21 which affected our operations, namely the COVID-19 pandemic which required the organisation to transition a number of our operations to Business Continuity mode. The majority of services were able to move back to a Business-as-Usual position in 2021/22 following the initial impact of the pandemic. Other risks include the challenges around the delivery of programmes and services to our customers for example, Payroll where there is an ongoing risk related to a limited internal assurance audit. All risks are managed in line with the BSO Risk Management Strategy and Procedures to ensure minimal impact on our customers and the delivery of our strategic objectives. A number of the key challenges faced by the BSO during this time 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., at Corporate Level through the BSO Corporate Risk and Assurance Report and at Service Level through Service Risk Registers. The BSO receives much of its assurance through its Corporate Risk and Assurance Report within which risks to the achievement of Strategic Objectives are outlined along with existing controls and assurances, gaps in controls and assurances and an outline of 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 2021/22. The annual Risk Management Audit was completed in November 2021 and overall, there is a satisfactory system of governance, risk management and control.

The BSO risk control framework is supported by a Risk Management Strategy which is in line with the agreed HSC Regional Risk Approach and based on the principles of ISO 31000: 2018. The

strategy was reviewed during 2021 to ensure it remains up to date. Further detail concerning Risk Management processes, issues, and challenges to BSO in 2021/22 and anticipated future issues is contained in the Governance Statement section of this document.

In June 2021, the Customer Care and Performance (CCP) Team introduced a new reporting template for Corporate Risk and Assurance Report as the previous template was developed in April 2017 and required modernisation to ensure it provides SMT, the Board, and GAC with an appropriate report to oversee and manage Corporate Risk.

The CCP Team is currently scoping an electronic Risk Management system for BSO as part of a wider review of Risk Management requested by SMT. The new template will support a change in how corporate risk is reported in the interim period until such times as the review is completed and agreement is reached on the use of an electronic system and will also improve Governance Processes around Risk Management and provide oversight.

PERFORMANCE ANALYSIS

Performance Analysis 2021/22

The current BSO Corporate Strategy covers the five-year period from 2018/23 and includes our Strategic Objectives, Mission and Values.

During 2021 we had planned to develop our next Corporate Plan collaboratively with our staff, the Department of Health, and a range of key stakeholders. Due to the COVID-19 pandemic this was not possible and as such the Department of Health agreed to extend the life of the current plan for two additional years, until 31st March 2023 and continues to support the wider aims of the HSC. As an organisation, it is our aspiration to grow our services to an even wider range of customers across the public sector, building on our reputation for delivering quality, excellence, and value for money.

The BSO set a wide range of challenging priorities and targets in 2021/22. 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 on 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'. 75% of our stated objectives were achieved within the timescales. The remainder have been impacted by the COVID-19 pandemic but have nevertheless made good progress and will carry into the new financial year with a target to achieve during 2022/23.

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; and
- 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.

Corporate Objective 1: Deliver high quality, valued services		
Key Priorities/Targets	Key Actions	R/A/G rated performance
Implement Plans to replace FPL and HRPTS systems (Equip Programme)	To develop an Outline Business Case for Department of Health Review by 30 th September 2021.	By September 2021 , the Equip Programme submitted its Outline Business Case to the Department of Health.
Roll out of employee online access to HSC Pension Services	To identify Pension Board requirements for improvements to the reporting process in line with Pension Reform by 31 st August 2021.	By August 2021 , we identified reporting improvements as required by the Pension Board in line with Pension reform.
	Develop and produce on-line training package for scheme members by 31 st August 2021.	By August 2021 , we developed and produced an online training package for pension scheme members.
Work in partnership to develop and establish the new group of business functions required to be hosted in BSO following the proposed closure of the Health and Social Care Board (HSCB)	a) To lead on the HR and Staff Transition Work stream in line with the approach agreed by the Oversight Board for HSCB by 31 st March 2022.	By 31st March 2022 we successfully ensured that all the necessary staff transition, work streams, and governance arrangements were in place for the migration of HSCB staff to the BSO
	b) Oversee delivery of the HR and Staff Migration Action Plan and provide timely management and progress reports by 31 st March 2022.	
	c) Participate in the Governance Oversight group for the Migration of HSCB staff by 31 st March 2022.	
	d) Continue to participate in Design Groups including Staff	

	Side Forum in conjunction with key stakeholders regarding the proposed hosting arrangement of HSCB staff by BSO by 31 st March 2022.	
Corporate Objective 2: Develop our services in partnership with our customers		
Key Priorities/Targets	Key Actions	R/A/G rated performance
Continue to expand, develop, and improve Shared Services including ITS Shared Services	Establish the Payroll Improvement Programme by 30 th June 2021.	By June 2021 , the Payroll Improvement Programme was established within Payroll Shared Services Centre.
	Establish clear, meaningful, and regular management reports demonstrating effective customer performance reporting by 31 st December 2021.	By December 2021 , we established and enhanced regular customer performance reports.
	To implement the Family Practitioner Payment Service within NHS Wales by 31 st July 2021	By December 2021 , we succeeded in a joint collaborative effort with NHS Wales to establish the Family Practitioner Payments System for the region.
Deliver against the agreed Digital Health Commissioning Plan for the new HSC Regional Clinical Systems as directed by the relevant SROs, Programme and Project Boards	Award of contract for the New Northern Ireland Pathology Information Management System (NIPIMS) by 30 th April 2021.	By April 2021 , we awarded the contract to ensure the establishment of the New Northern Ireland Pathology Information Management System (NIPIMS)

Corporate Objective 3: Demonstrate continuous improvement in pursuit of excellence		
To implement successful new ways of working within Payroll Shared Services Centre (PSC) in line with Payroll Quality Improvement Project and Transformation Project plans.	To deliver revised Payroll Customer Forum (PCF) and Operational Reports by 31 st August 2021.	By August 2021 , we successfully established a revised Payroll Customer Forum (PCF) as part of our commitment to the Payroll Quality Improvement Programme.
Progress a review of Service Level Agreements to streamline and improve customer experience and contract management processes in partnership with new and existing customers.	Develop and launch a Customer Portal to enable customers to access Service Level Agreements by 31 st December 2021	By March 2022 , we rolled out a new Customer Portal to all our customers through the SharePoint site. This will enhance our collaborative approach to engaging with our customers and allow the successful and timely flow of information from BSO to customers.
Corporate Objective 4: Help our People excel at what we do		
Support BSO to achieve Investors in People (IIP) reaccreditation.	To lead and support BSO towards the achievement of successful reaccreditation of IIP at Silver Level by 31 st December 2021.	By December 2021 , we were awarded IIP re-accreditation at silver level.
Facilitate the growth in BSO services ensuring our accommodation for BSO staff and customers meets demand.	Develop an accommodation strategy/plan to facilitate customer demand and planned increases in BSO staff numbers by 31 st March 2022.	By March 2022 , we developed an accommodation strategy enabling the BSO to manage the growth of our services and demand from our customers.

How did we perform in 2021/22?

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 below:

Key Performance Indicator	Target	Performance Results for 2021/22
Average processing time per non-stock requisition (Procurement and Logistics Service)	5 days	2.9 days
% of stock products supplied on 1st request (Procurement and Logistics Service)	95%	98.1%
% of IT incidents resolved within target	90%	93.9%
% of Invoices paid within 10 days	70%	85.7%
% of Invoices paid within 30 days	95%	96.0%
Absence Rate	4.27 days	2.9 days
Conditional Offer to completion of Pre-employment Checks where there is no referral completed within 20 days (Recruitment and Selection)	80%	71.3%
% of Complaints, Data Protection and Freedom of Information requests resolved within timeframe	100%	88.6%

COVID-19 Expenditure Analysis

The following table demonstrates how £5.7m of COVID-19 expenditure was incurred (£10.1m 2020/21). All costs were necessary to deliver the BSO key strategic objectives.

Area of COVID-19 Spend	2021/22 £'000	2020/21 £'000
Staffing	399	1259
Surplus stock write off / donation	3,500	-
Additional warehouse services	1,658	1136
Equipment	-	277
Special recognition to Healthcare Students	-	5924
Special recognition to Healthcare Staff	-	1491
Additional funding for dental tutors - SUMDE	104	-
	5,661	10,087

EU Exit Expenditure

Expenditure of £278k was incurred in relation to supply chain management capacity in 2021/22 (£nil 2020/21).

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:

	2021-22 Number	2021-22 Value £000s	2020-21 Number	2020-21 Value £000s	2019-20 Number	2019-20 Value £000s
Total bills paid	201,938	332,752	141,358	461,014	265,376	147,429
Total bills paid within 30-day target	199,003	306,158	138,350	238,919	262,307	135,289
% of bills paid within 30-day target	98.54%	92%	98%	95%	99%	92%
Total bills paid within 10-day target	193,866	279,052	133,269	398,478	257,060	110,722
% of bills paid within 10-day target	96%	84%	94%	86%	97%	75%

Sustainability Report

BSO aims to demonstrate how sustainability is an essential characteristic within our strategic objectives, operations and policy making.

Over the past year, the global Covid-19 pandemic has reshaped many of our lives in ways in which we never previously thought possible. Throughout the pandemic, we collectively worked together to remain steadfast in these challenging times.

Our number one priority has been to protect the health and safety of our colleagues, whilst continuing to service the needs of the HSC Trusts and organisations within Northern Ireland given the critical role we play across regional supply chains. With a large proportion of BSO working from home where operationally possible, it has brought a quantity of sustainability benefits, such as reduced travel-related carbon footprints and costs.

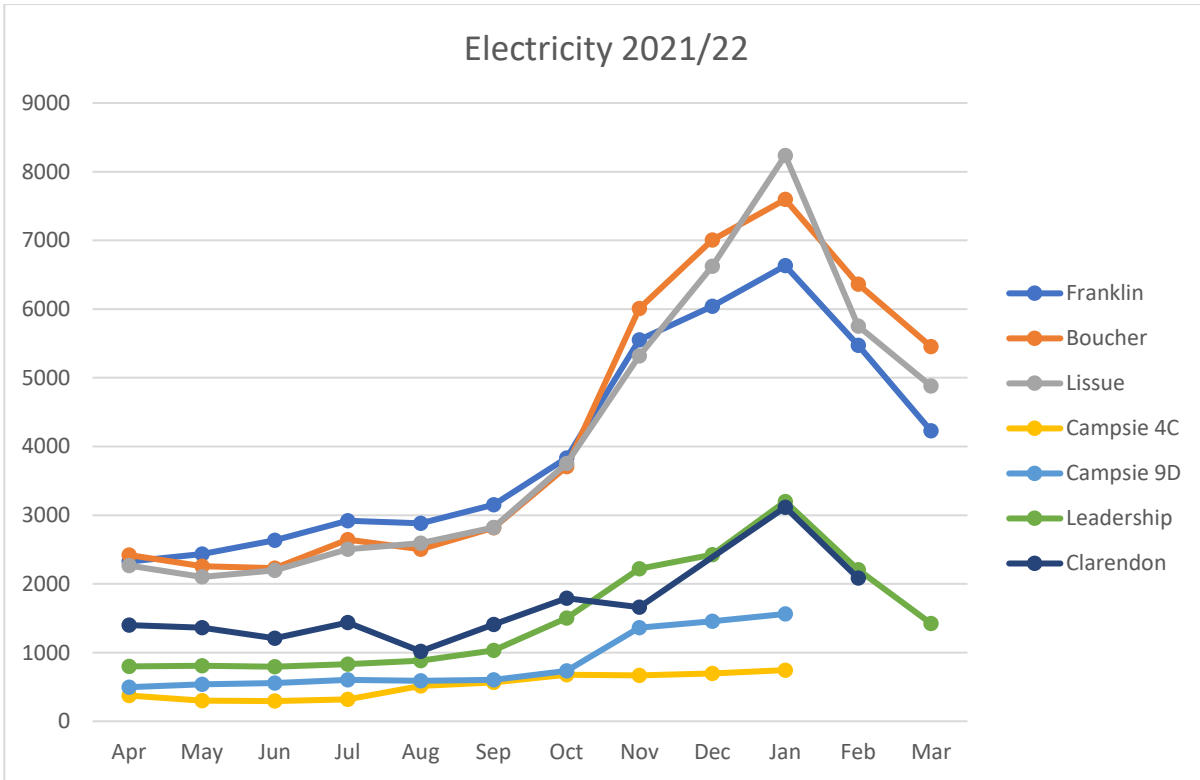
Environmental

All direct emissions from the activities of BSO or under our control, including fuel combustion onsite such as gas boilers and air-conditioning were significantly reduced and there was a significant reduction in environmental pollution with less staff travelling and this was demonstrated by the drastic reduction in mileage claimed but is evident that it has increased as we slowly emerge from the height of the pandemic.

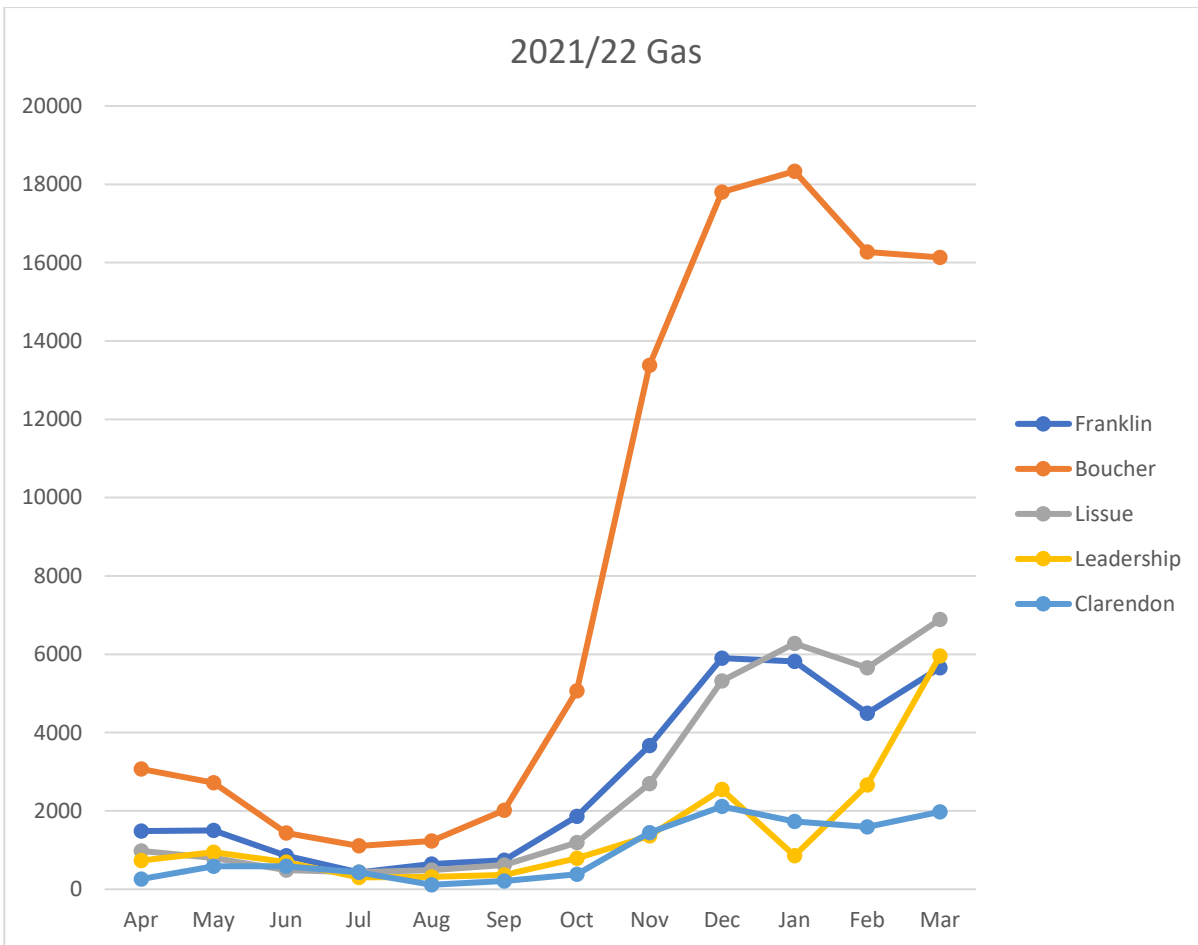
2019/20	£508k
2020/21	£47k
2021/22	£79k

Indirect emissions from electricity purchased and used by the Organisation.

Emissions are created during the production of energy and eventually used by the Organisation across our sites in Northern Ireland, in particular our PaLS sites which are high users. We have seen higher costs associated with these sites due to some running at full capacity on an almost 24 hour basis at the height of the pandemic.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Franklin	2325.3	2435.98	2633.39	2917.72	2882.67	3151.81	3832.14	5549.8	6040.8	6631.27	5470.81	4226.8
Boucher	2418.97	2257.27	2229.03	2646.4	2502.68	2817.59	3706.12	6007.33	7008.22	7595.84	6361.67	5453.26
Lissue	2268.56	2101.47	2198.85	2506.19	2593.64	2819.6	3752.93	5319.06	6625.92	8237.46	5754.07	4879.36
Campsie 4C	373.46	301.33	294.36	320.36	513.86	566.59	677.25	666.98	694.8	744.95		
Campsie 9D	496.6	538.85	554.55	604.21	589.6	603.08	731.54	1361.83	1455.66	1562.24		
Leadership	796.69	807.27	794.72	831.74	883.47	1033.73	1504.06	2219.58	2427.15	3199.53	2204.18	1421.59
Clarendon	1400.03	1363.2	1209.24	1438.92	1019.25	1411.33	1791.21	1660.21		3115.9	2082.73	



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Franklin	1483.54	1499.75	855.3	430.9	641.31	740.51	1864.62	3671.05	5902.49	5819.63	4490.43	5652.29
Boucher	3074.06	2716.66	1436.33	1106.88	1232.4	2020.29	5065.88	13380.6	17802.6	18333.8	16271.1	16133.6
Lissue	978.19	796.44	489.72	438.24	485.73	623.99	1191.47	2694.06	5322.21	6272.58	5658.14	6886.48
Leadership	731.88	947.54	696.34	304.1	314.02	368.56	793.52	1365.32	2551.15	856.95	2660.85	5957.01
Clarendon	256.83	584.09	589.58	435.14	114.93	214.47	382.99	1441.86	2114.46	1733.36	1588.67	1975.74

With the introduction of new cycle paths, it is our aim to revitalise the cycle to work scheme in Q2 of 2022 therefore encouraging staff to avail of both healthier and more environmentally friendly modes of transport;

BSO commissioned a survey on behalf of NIMDTA with the intent of installing car charging ports and a similar exercise will be carried out for BSO controlled sites.

Energy Costs

A review of energy buying approaches led to the establishment of a risk managed approach to buying energy supported by the appointment of a specialist advisory firm, Horizon Energy Group. Risk management advice from Horizon is provided via a collaborative contract managed and funded by SIB, there is no direct cost to BSO or HSC Trusts (HSCTs) to access Horizon's advice associated with a risk managed approach.

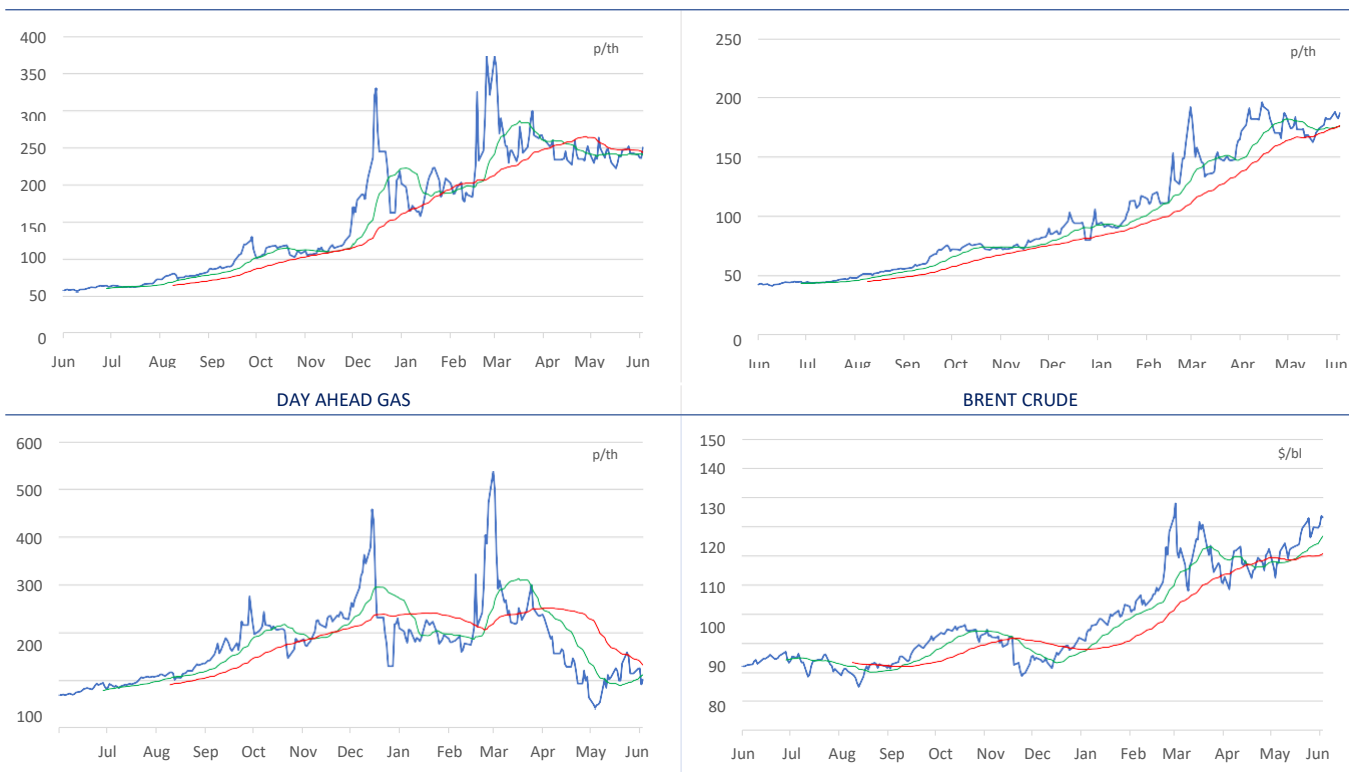
Under this risk managed arrangement, instead of agreeing a fixed price for the entire contract term at the point of contract award, electricity and natural gas contracts allow BSO to agree a price for the future delivery of electricity or natural gas throughout the contract term on a flexible basis.

This approach aims to enable BSO to buy electricity and natural gas when prices are favourable rather than at the time of tendering;

BSO and Trusts have an agreed risk strategy in place which Horizon work to when putting forward recommendations. Horizon make their recommendations via email with a supporting rationale and reports. To date, we (Trusts and ALB alike) have acted in concert and have executed the same hedges; A daily report is submitted and reviewed to allow the organisation to make informed decision as to their energy buying strategy.

Global prices for natural gas are at multi-year highs, with high temperatures driving up demand for power generation in the northern hemisphere for air conditioning and traders in some regions replenishing stocks ahead of winter; This is in addition to economies recovering as they emerge from Covid and compounded by the conflict in Ukraine and other Global Events.

When the current contract commenced, LNG was sitting at 52 pence per therm; we have seen it escalate to over 400 pence per therm but is now currently sitting around 172 pence per therm at time of report but fluctuates daily.



Reducing Carbon Emissions/Energy Usage

BSO continues to review plant and building systems with a view to improved performance and reduced costs. A previous Carbon Report identified a number of areas for improvement which were acted upon such as;

- Removal of fluorescent lighting and installation of low energy lighting
- Removal of Kettles and installation of Tea Boilers
- Removal of large volume hot water storage units and installation of “point of use” heaters in sinks.
- Automatic Toilet Flush with reduced water capacity
- Automatic Tap Sensors which automatically cut off
- Automatic water blocks which cut off the water supply in the event that manual taps/automatic taps fail or are not turned off and will detect when 20 litres have flown through them; these “blocks” then activate and prevent further usage of water until reset.

Waste

The majority of the waste generated by BSO sites is recycled through our Facilities Management contract.

Conclusion

BSO continues to strive in its efforts to aid in the sustainability effort and a carbon review is being commissioned across BSO operated sites in early summer of 2022 as well as the exploration of car charging ports to aid in the use of sustainable transport.

Chief Executive

Handwritten signature of Karen Bailey in cursive script.

23 June 2022

Social and Community Involvement

In the period before Christmas, BSO Staff organised points on every BSO site, in which staff could drop off donations to local food banks. This initiative was very well supported by staff at all sites. These donations were very much appreciated by the local Food Banks and went along way in helping families in need during the Festive Season.



Success for Accounts Payable Officer at Heritage Angel Awards



Greenmount House's Accounts Payable Officer, William Colvin, was recently recognised by Ulster Architectural Heritage in their annual Heritage Angel Awards (NI). William is the chair of Cushendun Building Preservation Trust, a local charity founded to restore and repurpose old buildings in the Cushendun area. At the awards ceremony, held in Belfast City Hall, which was hosted by BBC's Wendy Austin, Helen Mark



and Tim McGarry, William's charity was awarded *Best Rescue of a Historic Building or Place – Under £1 Million*.

William Colvin with BBC Ulster's Helen Mark receiving the award in Belfast City Hall

Cycle for Rachel

David Charles who works in our Internal Audit set up a challenge to undertake 10 big cycle challenges to raise awareness and funds for Sands NI, a fantastic UK wide charity that supports those affected by the loss of a baby and also to remember their little girl Rachel who very sadly died in 2010 and would have been 11 in September. As part of this, he has cycled a lap of Lough Neagh twice, a lap of Loch Ness in Scotland, a lap of Loch Erne in Fermanagh and a cycle on the Antrim coast from Larne to Coleraine.

David highlighted that the Etape Loch Ness was, in particular, a fantastic organised event with stunning scenery the whole way around. He said "I'm (just about lol☺) not too proud to admit that I was overtaken by a lady in a loch ness monster outfit, a husband and wife on a tandem and a man wearing a kilt ☺". The weather was perfect – nice and warm, but not too warm, and no wind at all". David raised over **£18,000** for Sands NI



Friends of the Cancer Centre Our Belvoir Walk At Home in memory of our dear friend and colleague Heather Middleton



A group of Heather's friends completed a 5 k / 10k walk on 5/6/21 in memory of Heather, who sadly died on 18th September 2020, for her chosen charity 'Friends of the Cancer Centre'. Heather worked as a Nurse Education Consultant in the Clinical Education Centre and was cared for by the staff in the Cancer Centre during her short illness. It was a great comfort to know that Heather experienced exceptional care that encapsulated her own values of compassion, care, communication and courage. Friends of the Cancer Centre have been dedicated to making a real and meaningful difference to cancer patients and their families across Northern Ireland for 35 years. Heather's friends walked in 4 different localities across Northern Ireland and many more made very generous donations. The Group raised a total £1,669 in aid of Heather's chosen charity. All the funds raised will directly benefit patients and families



Move More in May

Approximately 170 of BSO Staff committed to walking 10,000 steps each day in the Move More in May Walking Challenge with many achieving well beyond the 10,000 steps each day. Together we all walked a total of **58,661,915** steps across all our teams which equates to 27,776 miles!



Through our walking efforts we have successfully raised £1,230 for MIND Mental Health Charity which supports positive psychological wellbeing. Thank you to everyone for your generous donations! This money will enable the charity to:

- ⇒ Run their online peer support community to help people connect with others and feel less alone
- ⇒ Provide people with vital support and information about help available through their support lines
- ⇒ Help MIND campaign for better mental health services to ensure people get the support they need, as soon as they need it



Section B

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

BSO Board

Chair

Ms. Julie Erskine

Chief Executive (Interim)

Mrs. Karen Bailey

Non-Executive Directors

Mr Robert Bannon

Mr Mark Campbell

Ms Patricia Gordon

Mr Sean McKeever

Prof. Dorothy Whittington

Executive Directors

Ms. Paula Smyth, Director of Human Resources & Corporate Services

Ms. Karen Bryson, Director of Finance

Mr. Peter Wilson, Interim Director of Operations *Retired February 2022

Mr. Martin Bradley, Interim Director of Operations (from 1st March 2022)

Directors

Mr. Mark Bradley, Interim Director of Customer Care & Performance

Mr. Alphy Maginness, Chief Legal Advisor
*Retired March 2022

Ms. June Turkington, Interim Chief Legal Advisor (from 29th March 2022)

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

Committees of the BSO Board

The BSO Board has established three 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 ASM to carry out the audit of BSO financial statements and also PwC to undertake BSO shared service work. The financial statements include a non-cash charge of £162k in respect of preparation of the shared service report and the statutory audit of the 2021/22 Accounts.

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.hscbusiness.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.

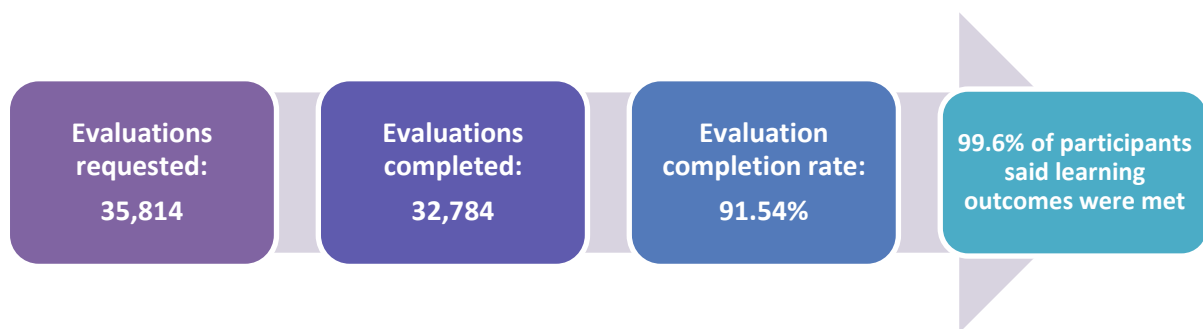
An overview of each of these services' key achievements is included in the following sections.

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.

Key Developments and Achievements in 2021/22

Despite the ongoing challenges of COVID-19 across HSC, CEC continue to exceed Service Level Agreements aligned to strategic and professional priorities. Education continued to be mostly delivered remotely with only clinical skills and priority programmes being delivered face to face. Over 41,000 people attended a CEC programme during the year. Between 1 April 2021 and 1 March 2022, 35,814 evaluation requests were sent to programme participants. From this the following was noted:



CEC staff have continued to develop and respond to education needs across the HSC. The impact of COVID-19 has been very influential in how the CEC performed during 2021/22:

- Continued delivery of programmes online.
- Continued free access to COVID-related programmes across all sectors/staff.
- Care Homes, GP Federations, GP Practices and Domiciliary Care Providers able to access programmes, advertised by the CEC, free of charge.
- Continued development of COVID-19 and vaccinator-specific programmes.
- Webinars delivered in collaboration with other HSC organisations and teams such as HSC Clinical Ethics Forum and HSC Major Trauma Network.
- Professionally registered CEC staff redeployed to support the COVID-19 vaccine roll-out.

- Continued digital development and blended learning approaches, supported by the recruitment of a Digital Learning Consultant to develop digital resources, capability, and technologies across the service.

The CEC has continued to successfully host and/or deliver a number of webinars during the year covering topics such as Long COVID, Transforming Maternity Services and Foetal Alcohol Spectrum Disorders. Over 100 participants attended some of these sessions. The Long COVID webinar series attracted 819 participants from a wide range of health professions and over 11,000 viewings of the recordings.

International Nursing

The CEC continues to support the regional international nurse recruitment programme by delivering the Objective Structured Clinical Examination (OSCE) Preparation Programme to support newly recruited International Nurses to meet regulatory Nursing and Midwifery Council (NMC) Registration requirements. During 2021 the OSCE programme changed to reflect new NMC Standards necessitating delivery of two parallel programmes on both the 2014 and 2021 versions. CEC successfully delivered the OSCE programmes to a total of 340 international nurses.

Looking Ahead to 2022/23

Throughout 2022/23 CEC will continue to:

- Align its business objectives with strategic, corporate, and professional priorities.
- Design, develop and deliver innovative education programmes in response to service requirements and strategic direction.
- Offer a range of options and blended learning approaches for education delivery to include eLearning, virtual and face to face.
- Further develop digital capabilities to enhance learning and application to practice (e.g., simulation Page Tiger, eLearning).
- Review the Nursing and Midwifery Service Level Agreement and processes for recording activity and allocation of resources.

- Further develop a HSC network of Allied Health Professional (AHP) educators to support both profession specific education development and multi professional education programmes.
- Fully engage with the Departmental Review of the business model of post registration education commissioning for Nurses, Midwives and AHPs.

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 programmes;
- Digital Consultancy – our consultants offer a wide range of programmes from basic IT skills through to the development of innovative IT solutions to support transformational change.

Key Developments and Achievements in 2021/22

- The HSC Leadership Centre continued to deliver its portfolio of products and consultancy services mainly virtually, with a move back towards face-to-face engagement at the end of the year.
- A revised Regional “HR Succession Planning” programme was launched to support talent management across the system.
- The HSC Leadership Centre partnered with the Ulster University to launch the first Post Graduate qualification in Collective Leadership for Allied Health Professionals.
- The Department of Health commissioned development for the Staff and Associate Specialist doctors, a series of masterclasses, and a Leadership Development Programme have been delivered.
- A rebuild of our Digital Consultancy business following the move of staff to the Encompass programme.

Looking Ahead to 2022/23

- The development and agreement of our 2022-25 Priorities Plan alongside our offering of new products.
- The alignment of our offering against HSC priority areas identified which are:
 - Redesigning solutions, supporting transformation;
 - Collective Leadership in an agile system;
 - Delivering for our people; and
 - Our Learning Partnerships.
- The development of a new middle management Nursing Leadership Programme with the Clinical Education Centre.
- Development of new leadership programmes aimed at the “Emerging Leader” and “Leading in an Integrated Care System”.
- The implementation of a new Learning Management System.



HSC encompass Programme

encompass is a HSC-wide programme, working to deliver the digitally enabled transformation of Health and Social Care in Northern Ireland.

encompass, in partnership with HSC and the system supplier Epic, will drive efficiency and productivity gains, increase patient safety through implementation of **best practice care pathways**, underpinned by functionality such as Electronic Prescribing and Medicines Administration, Digital Care Noting and Referral to Treatment Pathways.

encompass is planning for the system to 'go-live' in the first HSC Trust; South Eastern Health and Social Care Trust, post summer 2023, before rolling out to Belfast Health and Social Care Trust and the remaining HSC Trusts by the end of 2025.

Key Developments and Achievements in 2021/22

The focus of the last year has been in completing the pre-work phase of the Programme and moving forward into the Design & Configuration aspects.

- Through summer and early autumn 2021, work was carried out with HSC organisations to scope current processes and to identify subject experts that would play a pivotal role in the upcoming design and configuration phase of encompass.
- In September 2021, the Workflow Walkthrough and configuration phase of the programme was initiated with a 3-day event consisting of integrated workflow presentations and demonstrations of the Epic solution that encompass will be built on. The events were attended virtually by over 5000 HSC professionals from across Northern Ireland.
- From October 2021, formal design and build activities got underway with over 1000 Healthcare professionals taking part in encompass Decision and Advisory

groups, designing workflows and commencing the tailoring of the solution and the associated training curriculum.

- In early 2022, with a further 3000 professionals due to commence focussed content design sessions, the programme was impacted by the COVID-19 variant, Omicron. At that time, it was agreed that a short pause would be built in to make sure Operational and Clinical staff could focus on COVID-19 activities and plans were revised in conjunction with wider HSC stakeholders. Core build change management, and technical processes continued throughout.
- Across the year, a number of other critical items have also continued including recruitment of staff within BSO and across HSC, leadership alignment and communications, procurements and technical inventories and site assessments.

Looking Ahead to 2022/23

In the coming year, encompass will complete system build and testing which will commence alongside Technical Infrastructure, Interfacing and Data Migrations activities.

Change management and readiness activities will continue in key areas such as the Super User Programme and Benefits Realisation Planning and work will commence on Go-live planning.

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

Business Services Team

Achievements 2021-2022



System Administration

- FPL & associated apps
- eRecruitment
- Regional Interpreting Service
- SharePoint
- Year End Coordination

Interface Management

- Payroll Interface
- JAC Interface
- Capita Interface
- Saffron Interface
- Scanning Interface

Data Maintenance

- FPL Supplier File
- HRPTS Master Coding
- FPL Master Coding
- Facilitation of Regional Groups

Service Improvement

- HRPTS Functional Specialism
- FPL Functional Specialism
- Change Management
- Customer Reporting

Solution Design

- Smart Solutions
- BOT Development
- Innovation
- Automation

Activities Completed
84,068



Standardisation



Health and Social Care Northern Ireland
DELIVERING CARE TOGETHER



IDEA
Data Analysis Software

Key Achievements and Developments in 2021/22

BST continues the journey of driving to deliver continuous improvement to services provided to our Health and Social Care Trust partners. BST developed capability to build smart solutions based on efficient process optimisation underpinned by Automation technology using software packages which are readily available. This approach has been successfully implemented across a number of automations of FPL Business as Usual (BAU) projects; for example, automation of Master Data Processing and Management.

These Smart Solutions have increased efficiency, effectiveness and enhanced the delivery of services within agreed SLAs. BST continues to review BAU business processes to scope out further opportunities to better exploit the use of automation and further increase efficiencies.

BST utilised existing technology to develop a smart solution for Health Trust partners in the Northern HSC Trust to automate their Staff in Post (SIP) reporting. The SIP reporting solution has:

- Increased audit compliance;
- Streamlined the process;
- Significantly reduced manual input time.

The SIP solution went live in the first quarter of the 2021-22 financial year.

BST streamlined the process of capturing information in the recruitment of International Nurses; delivering efficiencies for both the HSC Trusts and BSO Human Resources.

The Supplier File master data project continues to analyse and review large data sets using the latest IDEA data analysis software which highlights key areas for streamlining and standardisation. BST continue to work with HSC Trust Finance Directorates and Accounts Payable Shared Services for areas of focus which require their expertise and authorisation. Master data management will continue as a key area of focus as we engage with Project Equip team in the migration to new systems.

Automation of the General Ledger payroll interface, in conjunction with Payroll Shared Service Centre and Directorate of Finance colleagues, to increase efficiency of the

transfer of the payroll data to FPL is currently in UAT. It is anticipated that this will be available in live in the early part of the new financial year 2022-23 and will assist with readiness for migrating to new Finance and HR systems and the HSCB Migration; Project Idea.

In conjunction with BSO Finance, BST have implemented standardisation of invoice approval limits within delegated financial authority (SODA) in the eProcurement and FPM systems. Those who have been delegated to approve spend, now have standard approval limits which have been set by the organisation. This standardisation has the benefits of reducing risk, enhancing governance and meeting audit recommendations. BST developed Delivery of Capital and Revenue system enhancement projects worth c. £340k to improve the system performance of the HSC Finance & Procurement system and the HR system.

BST is also responsible for number of business as usual (BAU) services to support Finance and HR users within HSC.

HRPTS upgrade projects will continue into the new financial year with the below being delivered in financial year 2021-22:

- OS Upgrade
- Portal Upgrade
- OM forms Conversion
- Annual Patching
- Hardware Refresh

Looking Ahead to 2022/23

Transition: BST will support Project Equip in planning to migrate to new systems, to ensure;

- Timely transition;
- Smooth migration of data; and
- Any Change Management support required including raising of Change Requests.

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;
- Assist users 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 HSC Trust stakeholders to continue.
- Continue to develop capability within BSO to design and implement automation across BAU activities within HSCNI to further increase efficiencies, in support of the BSO Process Improvement Strategy.
- To continue to work with HSC Trust regional teams to prepare for the Project Equip transformation project along with BAU.

Income Shared Services

Key Achievements and Developments in 2021/22

- Recovered £510m debt.
- Maintaining a trend well below target in Days Sales Outstanding, demonstrating consistent efforts in fast recovery of public funds and creating a positive impact on HSCNI cash flow, despite the challenges of COVID-19;
- As members of the team returned to Shared Services Accounts Receivable (SSAR) from re-deployed positions within HSCNI due to COVID-19 pressures, the focus again on the recovery of debt in excess of 90 days resulted in regaining and maintaining a positive downward trend;
- Maintaining service delivery throughout COVID-19 with the team continuing to work remotely and in-house ensuring continuity of service for stakeholders;
- Working collaboratively with ITS Team in order to progress the required Capita Worldpay 360 System upgrade to be implemented in 2022/23;
- Successful engagement with stakeholders on revising the Shared Services Accounts Receivable Service Level Agreement and Key Performance Indicators (KPIs) for the next financial year 2022/23;
- Successful engagement with stakeholders on revising the SSAR Performance Report and KPIs for the next financial year 2022/23;
- Making Tax Digital –
 - Successful implementation of VAT Partial Exemption calculations.
 - 65% of current team professionally qualified in Chartered Institute of Credit Management (CICM) Credit Management.
 - Continued focus on remaining implementation of Direct Debit functionality.

Looking Ahead to 2022/23

Key priorities will include:

- Sustain and maintain CICM Quality Accreditation and Centre of Excellence.
- Working in partnership with HSC Equip Programme in order to progress Equip Programme.
- Working in partnership with customers on the implementation of AI/Robotic solutions to add value and increase service efficiency in conjunction with Equip Programme.
- Implementation and rollout of required Capita Worldpay 360 System upgrade.
- Continue active involvement and contribution within CICM, Northern Ireland Civil Service (NICS) Debt Management Forum and the Shared Services UK Forum.
- Increase % of card payments being made using automated system.
- Pilot invoicing triage process to identify incorrect or incomplete requisitions at source to optimise resources and promote right first time.
- Work in partnership with customers on standardisation of templates used for automated invoicing to ensure consistency.

Payments Shared Services

Key Achievements and Developments in 2021/22

- Completed transactional activity in a trusted, accurate, effective, and timely fashion;
- Delivered a service that met the required service level targets;
- Received a satisfactory audit;
- Removed entirely any requirement for paper-based storage of invoices and/or supporting documentation;
- Special Recognition Payments delivered for non- HSC salaried staff working in the Independent Sector Care Homes, Domically Care provision and Supported Living sectors;
- Special Recognition Payments delivered for agency (contract and non-contract) staff working within the 16 organisations that make up HSCNI;
- Delivered and integrated the Accounts Payable Shared Services (APSS) Restructure (recruited at the end of 20/21) becoming operational in 2021/22;
- National Fraud Initiative Accounts Payable completion and HSC Trust sign off;
- Established maintained and developed the APSS SharePoint site;
- Commenced work with the Accounts Payable Association (APA) to develop a staff recognition programme;
- Increased Service Provision (NHSCT NB Team);
- Reviewed and tested a fully functional Business Continuity Plan strategy;
- Further engagement, reporting and training to support HSC Trust customers in reducing off-system payment;
- Continuing to provide similar or better customer service provision while managing working remotely and COVID related absences;
- Reviewing/updating supplier file and link and load processes to facilitate making tax digital.

Looking Ahead to 2022/23

- To transition all offline payment methods to online;
- To work with suppliers to improve the accuracy of their invoices and supporting documentation;
- To further grow Cloud Invoicing to > 500000 per annum;
- To complete the staff recognition programme with the (APA) and progress towards accreditation as a centre of excellence;
- To take a lead role in the “Procure to Pay” element of the Equip programme;
- Phase 2 Special Recognition Payments for non- HSC salaried staff working in the Independent Sector Care Homes, Domically Care provision and Supported Living sectors;
- Phase 2 Special Recognition Payments for agency (contract and non-contract) staff working within the 16 organisations that make up HSCNI.

Recruitment Shared Services

Key Achievements and Developments in 2021/22

The Recruitment Shared Service Centre (RSSC) has delivered a significant improvement programme during 2021/22 notwithstanding the workforce pressures caused by COVID-19 and a significant growth in activity. Despite a challenging labour market, RSSC has supported the HSC to fill in excess of 1,000 posts on average every month.

In delivering services RSSC has continued to work collaboratively with customer organisations with the aim of improving Candidate and Manager Experience through the use of 3 key themes:

Visibility through our Vision 2020 SharePoint Site:

- Development of Dashboards for the Centre greatly enhanced visibility of all ongoing activity for our team to ensure prompt processing.
- Development of a Waiting list SharePoint Site will now provide visibility of waiting lists for HR Teams in the Hiring Organisations.
- Implementation of new Customer Reporting to support identification of good practice, as well as areas for continuous improvement has supported ongoing collaborative working.

Speed of processing improved whilst maintaining safe recruitment practice:

- Concept development for a 'Candidate Passport' which aims to support streamlining of pre-employment checks for all appointees moving within the HSC. This concept will be further developed for implementation in 2022/23.

Communication to support the process:

- Launch of new Visuals for Managers and Candidates to describe the Recruitment Journey and highlighted key self-service options and contact points for support.

- Launch of our 'Back to Basics' series for Managers which consisted of short 2-3 minute videos on various elements of the recruitment process provided professional guidance for busy managers.
- Survey of Managers and Candidates allowed us to engage with customers for feedback on areas to improve allowing key action plans to be developed.
- A Trial of an online Interview Booking system for high volume campaigns has improved candidate experience and is now being finalised for full implementation.
- Query forms for Managers and Candidates were developed and launched for use.

Across the year a number of the RSSC staff completed professional training programmes supporting the development of individual and corporate expertise. In addition to support our staff well-being, their staff successfully completed the Mental Health First Aid Training as an enabler to supporting colleagues.

Looking Ahead to 2022/23

As we look ahead to 2022/23, a benchmarking exercise has been undertaken along with a strategic review of the factors likely to impact upon recruitment over the next 12 months. This has allowed us to plan for the year ahead and consider developments which will be required to further improve the candidate and manager experience.

Shared Services Payroll Service Centre (PSC)

Key Achievements and Developments in 2021/22

- Continued strong governance and control framework within PSC.
- Continued successful delivery of PSC core and Covid related services throughout the significant challenges experienced during the COVID-19 pandemic.
- Significant work on documenting new SLAs to set out clear roles and responsibilities between PSC and customer organisations.
- Delivery of pay awards including Agenda for Change (AFC) Pay Award, Senior Executive Pay Award and Medical & Dental Pay Award.
- Delivery of Ministerial driven Staff Recognition Payment to 85,000 staff in July 2021.
- Continued work with customer organisations to increase adherence in the submission of approved timesheets.
- Delivered a range of change requests to improve system performance and customer service.
- Introduction of a new PSC SharePoint site to share information with HSC Trusts and customers, adhering to strict governance controls.
- Commenced roll out of Payroll Accredited training.
- Completion of Staff Action Plan.
- Strong engagement with Equip programme to support delivery of the new solution.
- Completion of Single Lead Employer work.
- Creation of a new Payroll Quality Improvement Programme to further improve the service delivered to focus on key areas of delivery where there are weaknesses in controls or improvements in processing are required.
- Stability in the PSC workforce to embed new structures.

Looking Ahead to 2022/23

Key priorities will include:

- Continued engagement with the Equip programme to enable delivery of the new solution.
- Implementation of Pay Awards to include AFC Pay Award, Medical & Dental Pay Award and Senior Executive Pay Award.
- Delivery of the Ministerial approved non-consolidated payment for HSC staff.
- Further readiness for accredited status as a Payroll Centre of Excellence including the continued roll out of accredited training for staff in PSC, process training and staff engagement.
- Continued work on Service Level Agreements and Key Performance Indicators. The completion of work in this area will allow for reporting to all customer organisations on performance across the region and will enable PSC and customer organisations to work collaboratively to continually improve.
- Continued delivery of Payroll Quality Improvement Programme to further improve the service delivered.
- Addition of new skills to the PSC workforce to support ongoing improvements in delivery and efficiency.
- Focus on PSC reporting capability to support the drive for continuous improvement.
- Continue to deliver change requests to improve system performance and customer service.
- Continuous review of governance and controls of all PSC processes.
- Addressing internal audit concerns that led to Limited internal audit report.

Shared Services HSC Regional Interpreting Service

The BSO Interpreting Service is the first point of contact for all Health and Social Care (HSC) face to face foreign language interpreting. Providing Interpreters:

- Assists HSC Services to provide responsive, safe, and quality care;
- Reduces health inequalities and improves health outcomes;
- Minimises the risk of misdiagnosis and non-consent; and
- Ensures HSC compliance with legislative requirements.

Key Achievements and Developments 2021/22

- Over 90,000 requests processed.
- 98.2% provision rate.
- Interpreters provided for over 5000 video calls.
- New Interpreters Registered in December 2021 - The BSO Interpreting Service delivered a 6-day HSC New Interpreter Induction Course via zoom in November 2021 to target priority languages including Albanian, Arabic, Czech, Kurdish Kurmanji, Latvian, Romanian, Russian, Somali, Turkish, Urdu, French and Spanish.
- New Interpreters Registered February 2022 - The BSO Interpreting Service delivered a further 6-day HSC New Interpreter Induction Course via zoom in February 2022 to target additional priority languages including Tigrinya, Kurdish Sorani, Spanish, Italian and Bengali.
- Working Well with Interpreters Training delivered to over 100 HSC Staff.
- 2021/2022 Top Languages: Polish, Arabic, Lithuanian, Romanian and Bulgarian.

Looking Ahead to 2022/23

- Further capacity building to ensure provision for key priority languages including Somali, Farsi, Tetum and Ukrainian.
- Regional implementation of the Interpreting System new video call booking function.

Equip Programme

Key Achievements and Developments in 2021/22

A small team was initiated in January 2021 to begin work on the Equip Programme which will replace back-office solutions (known as Finance Procurement and Logistics (FPL) & Human Resources, Payroll, Travel and Subsistence System (HRPTS) which currently enable and support “business critical” front line activities. An Outline Business Case was produced with regional consultation using a new methodology, the Five Case Model. This is a significant milestone in the journey to ensure HSCNI can procure and implement a single, integrated, cloud-based solution to sustain the delivery of these important services to every member of HSCNI and wider stakeholders.

Looking Ahead to 2022/23

- Support the ongoing implementation of the regional Equip Programme through provision of BSO resource to replace FPL and HRPTS systems.
- If required, develop contingency plan in partnership with Digital Health Care Northern Ireland (DHCNI) to allow Programme team to continue into 2022/23.
- Ensure Programme funded BSO corporate resource (HR/Finance / Legal / Procurement) is available to support the Equip Programme.

Operations Directorate



Mr Peter Wilson

Interim Director of
Operations *Retired
February 2022

Mr Martin Bradley
Interim Director of
Operations from March 2022

The Operations Directorate comprises five key service areas; Family Practitioner Services, Counter Fraud and Probity services, HSC Pensions Service, Procurement and Logistics Service (PaLS) and the Small Business Research Initiative Team (SBRI). This is a very diverse group of services with very different roles and sets of stakeholders but what they have in common is a strong desire to deliver excellent service and to play their part in supporting the delivery of care to the citizens of Northern Ireland.



Key Achievements and Developments in 2021/22

The Financial year 2021/22 has been another positive year for our Operations Business Units. Whilst all of us got used to terms like “Delta Variant” and “Omicron” as part of our daily vocabulary, the Operations Directorate continued to deliver services to Health and Social Care without interruption and to plan.

Our services haven’t stood still, and we’ve made some notable changes as part of improving services and building resilience to prepare for the future. Some of those changes are:

- Building resilience through strength and depth of talent including:
 - Improving career pathways in HSC Pensions Service.
 - Implementation of the recommendations of our Family Practitioner Services Workforce Review to improve career pathways and prepare for the impacts of technology projects in that Business Unit.

- Use of social media to target recruitment for our Procurement and Logistics Service.
- Service improvement offerings to HSC clients including:
 - Analysis and modelling of the NI Pharmacy Needs Assessment carried out by Family Practitioner Services' Information Unit, the most comprehensive undertaken in the UK.
 - Management and operation of two HSC Trust COVID PPE Stores by our Procurement and Logistics Service.
 - Expansion of our HSC Pensions Service “self-service” portal for HSC Pension Scheme members.
 - Delivery of a new pension service to our sister organisation, the Northern Ireland Fire and Rescue Service.
 - Development of additional service offering by our Counter Fraud and Probity Service.
 - Integration of our SBRI Service into our Procurement and Logistics Service to create greater opportunities for procurement of innovation and development of local markets for supply of goods and services.

The above have been completed alongside a challenging programme of work with growth in all of our core activities.

Looking Ahead to 2022/23

In considering the year ahead we always anticipate that change will be inevitable and constant and 2022/23 is no exception to that. There will be changes in personnel due to retirement, changes in structures in business units, changes in working practices as we emerge from COVID-19 restrictions and changes in the legislation that governs areas of our business.

We expect legislative changes to impact on our Procurement and Logistics Service with the introduction of new procurement regulations anticipated in early 2023. Our Family Practitioner Service and Counter Fraud and Probity Services will have to deal with the impact of the closure of the Health and Social Care Board and changing client relationships that will result. Not forgetting that our SBRI Service will be developing their role and identity within the Procurement and Logistics Service.

Further change will manifest in the implementation of the McCloud Pension Reforms. This will see a review of the pension arrangements for all current and future pensioners along with the introduction of a new CARE pension scheme.

The following sections show the work of the Operations Directorate in more detail and on a service-by-service basis.

Procurement & Logistics Service

Key Achievements and Developments in 2021/22

The financial year of 2021/22 was where BSO Procurement and Logistics Services (PaLS), reflected on the year which went before, restored our services following the response to the pandemic, and dealt with new and sometimes unforeseen challenges.

It has been another positive year for BSO PaLS and our staff have once again excelled themselves, despite the new challenges they have faced. Some of the major challenges faced this year have been responding to the additional waves of the pandemic, the supply chain disruptions created by EU Exit, recruitment, and retention issues in the workforce, and adapting new ways of working.

During 2021/22, BSO PaLS had numerous key achievements:

- BSO PaLS were formally recognised for their achievements both locally and nationally:
 - Winner in the NI Government Opportunities (GO) Awards
 - Outstanding COVID Response
 - Brexit Preparedness
 - Overall Excellence Award
 - Winner in the UK Government Opportunities (GO) Awards
 - Brexit Preparedness
 - Highly Commended in the NI Government Opportunities (GO) Awards
 - Best Procurement Delivery
 - Highly Commended in the UK Government Opportunities (GO) Awards
 - Outstanding COVID Response
 - Finalist in the Chartered Institute of Purchasing and Supply (CIPS) Awards
 - Best Collaborative Teamwork Project



Winner: Brexit Preparedness

L-R John Barron, Karen Bailey, Peter Wilson, Ciaran McCann, John Walker, Rodney Smyth, Monica Turkington, Jane Ross, Michele Forshaw, Linda O'Hare. Photo Credit: Paul Dawson Photography www.pauldawson.co.uk

- BSO PaLS continued to operate the new regional Personal Protective Equipment (PPE) Distribution Service from our Carrick premises, and we welcomed the Health Minister, Robin Swann, MLA, to our warehouse, providing reassurance to Department of Health on our stock position.



- BSO PaLS have had to adapt to a new landscape of managing an increasing number of supply chain disruptions following the impacts of COVID-19 and EU Exit. Fortunately, these haven't caused widespread issues; due to the mitigations we had in place, which included setting up a new service for our customers to manage customs declarations.
- Logistics staff set up a new local store and a team to manage BHSCT PPE, reflecting what was set up last year in WHSCT.
- Our logistics teams have been providing COVID-19 test kits to HSCNI and supporting the Department of Health with supply to additional channels, including Community Pharmacy & Nursing Homes.
- BSO PaLS have increased its presence on social media platforms, and have used these particularly to raise awareness of our recruitment opportunities. Media campaigns have also been successful in helping to recruit some senior posts.
- We have created a new Innovation and Market Development Unit (IMDU), which will create greater opportunities for procurement of innovation and development of local markets for supply of goods and services.
- The Social Care Procurement team (SCP) have successfully progressed procurements for a range of social care and health care services including utilising the flexibilities of the light touch regime to create and manage dynamic framework agreements for Talking Therapies in Belfast HSC Trust and Co-operation and Working Together (CAWT) Interventions for Multiple Adverse Childhood Experience (MACE) Services.
- The SCP team also managed three evaluations of the "Pseudo Dynamic Purchasing System" for the Elective Care Services.
- Our ICT Procurement team awarded Laboratory Information & Management System (LIMS) and this project achieved a gateway review status of green – the first time this has happened in NI.
- Northern Ireland Picture Archive & Communication System (NIPACS+) moved to preferred supplier status with full award subject to final business case approval. A Gate 3 gateway review awarded the project green/amber status.
- Reflecting the growth in PaLS and the need to invest in our leadership team we

have appointed two new posts, namely, Assistant Director – Procurement and Assistant Director – Supply Chain.

Looking Ahead to 2022/23

Dealing with the COVID-19 pandemic will become part of BSO PaLS business as usual for the foreseeable future. We will continue to face challenges in this “living with COVID” landscape, and we will also be dealing with the result of the on-going EU Exit impacts and NI Protocol negotiations. In summary, we believe the future holds a lot of change to the dynamic we have been living in, and we believe this will be concentrated on a period of modernisation, and further digitalisation, greater emphasis on workforce and succession planning, and becoming a more socially and environmentally sustainable organisation.

As we look ahead to 2022/23, we can foresee both opportunities and challenges within our business:

- Anticipating new practices, including the new HSC integrated care systems, being introduced at HSC Trusts, and understanding how this will impact our procurement and logistics services.
- Continuing to forecast and plan for PPE stock holding and aligning our warehousing space to the increased PPE stock holding.
- The introduction of BSO policy on hybrid working for our staff, and therefore a change to our internal working practices, and accommodation options.
- A change in the Procurement Regulations due to UK Exit from EU.
- Continued preparation work required for new procurement and logistics systems, i.e., replacement of FPL with Equip Programme.
- The implementation of the NI Procurement Board new Procurement Policy Notes (PPNs), including Supply Chain Resilience and Scoring Social Value.
- An emphasis on new skills required within Procurement teams such as commercial, digital and negotiation.
- Recruitment and retention of professional procurement and logistics staff in a highly competitive market place.
- Increased global supply chain disruption, including cost pressures, shortages of product, transportation, and freight issues.

- Our Social Care Procurement team will be progressing procurement projects such as: Domiciliary Care WHSCT and NHSCT, Enhanced Domiciliary Care for Learning Disability Service Users and Regional Fostering Services.
- Our ICT Procurement team will be supporting Regional ICT with some major procurement projects, which will change the digital landscape in HSC.
- Growing our Continence Service and develop a proposal to offer a home delivery model to clients in SHSCT – making this the regional model.
- Continued investment in our people, promote learning and development, continuing to mentor, coach and empower staff to deliver success.
- Embed a culture of quality management to ensure robust processes across the operation.
- Develop a business case for new warehousing facilities to future proof supply chain capability and capacity for HSC.
- The introduction of new Direct Award Contract (DAC) guidance for HSC.

Family Practitioner Services (FPS)

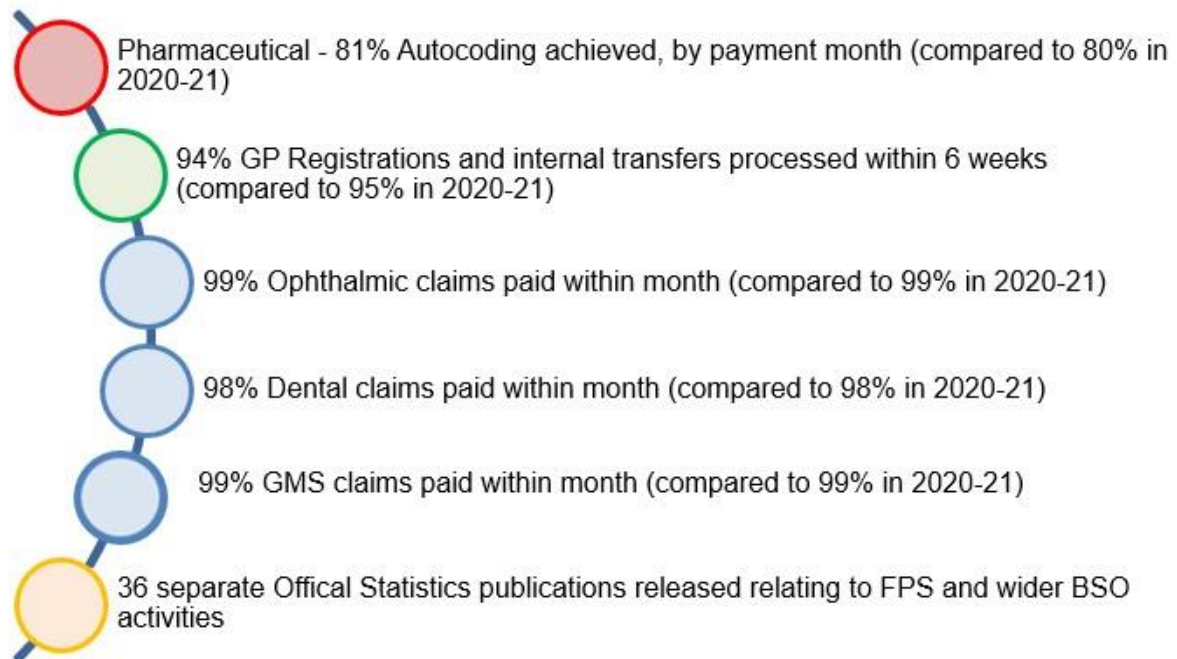
FPS provides services on behalf of the Health and Social Care Board (HSCB) to support General Medical Practitioners, General Dental Practitioners, Pharmacy Practitioners and Community Ophthalmic Practitioners, who deliver primary care services across Northern Ireland.

These services include payment, maintaining an up-to-date patient registration database, medical record transfers, professional support, and information 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 former HSCB and Department of Health (DoH).

Key Achievements and Developments in 2021/22



Looking Ahead to 2022/23

- Implement requirements identified from UK Statistics Authority assessment of key FPS Official Statistics publications in order to achieve National Statistics accreditation.
- Following a successful proof of concept pilot, new innovative method to automatically harvest health and care numbers from un-scanned prescription bar codes to be implemented using Optical Character Recognition technology. This will significantly improve the quality and utility of historic prescribing data, a key BSO information asset.
- Development of interactive dashboards to provide user-friendly access to pharmaceutical information.
- Support ongoing development and deployment of National Health Application and Infrastructure System Replacement System (NHAIS) via Northern Ireland Digital Identity Service (NIDIS) Project.
- Support deployment of the GP2GP Electronic Transfer of Medical Records Project.
- Support ongoing development of the ePharmacy project to support electronic transfer of prescriptions.
- Establishment of a Drug Tariff Intelligence Unit embedded within Pharmaceutical Services.
- Support the modernisation of the pharmacy drug Masterfile through procurement, design, and development.
- Develop an on-line training module for the delivery of the Pharmacy Payment Portal.
- Develop and implement a new model of payment for Adherence.
- Implement a new payment model for substitute prescribing.
- Business intelligence software Qlik Sense being utilised throughout FPS service areas to monitor key performance indicators and management information.
- If required continued support for COVID-19 related support payments in all payment areas.
- Rollout of an enhanced staffing profile for the Screening Programme Services.
- Conclude the implementation of FPS Workforce Review.

- Redevelop Ophthalmic Claim System (OCS) into the Family Practitioner Payment System (FPPS).
- Continue to promote FPPS Portals to Dentist and Pharmacy users through targeted workshops.
- In response to the Screening Services Significant Adverse Incident (SAI) in 2021/22, the creation of a Project Team and action plan to address the recommendations of the SAI Report. This will identify and implement business improvement measures within the screening function.
- Develop a communication strategy that enhances our relationships with stakeholders and raises awareness of new developments and functions of FPS.
- Continue to support and provide development opportunities to our workforce.
- Develop new ways of agile working that positively impacts our employees and stakeholders.

Counter Fraud and Probity Services

The Counter Fraud Service has continued to experience a significant growth in demand across all service areas particularly in relation to advisory work, in which there has been a 70% increase in demand, and in relation to investigations in which there has been a 77% increase in demand. At times of crisis, such as the pandemic, fraudsters will take advantage of any opportunity created by the instability of the situation and it is not therefore unexpected that we have experienced a significant rise in Counter Fraud work generally during this difficult period. The increase in the advisory work clearly shows the level of support which we have provided to all HSC clients.

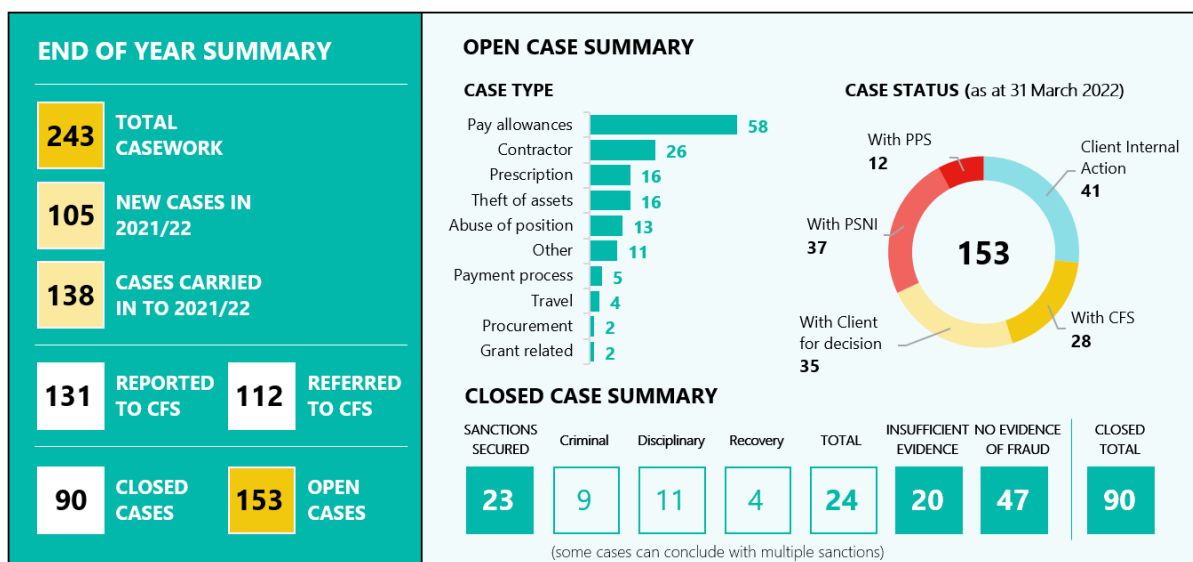
Due to the COVID-19 Pandemic, routine probity work continued to be restricted during 2021/2022. The Probity Team worked closely with HSCB colleagues during the year to assess the situation and recommence elements of the routine checks where possible.

The Exemptions Team continues to provide a key role in supporting the Project Manager to move the current case management system to a new server as well as the introduction of a brand new up to date system.

Key Achievements and Developments in 2021/22

Counter Fraud Services

Despite the increasing demands the pandemic has placed on the Counter Fraud Service, the Counter Fraud Team has continued to provide a full range of services; including the conduct of proactive reviews for HSC clients and engagement with the Department of Health, regarding their proposal to further develop the Counter Fraud Service, in relation to taking over responsibility for the conduct of preliminary enquiries. The graphic below provides detail of the casework including investigations which have been undertaken by the Counter Fraud Service during this year as of the 31st March 2022.



Probity and Exemption Services

Due to the pandemic the Probity Team have adopted alternative approaches to deliver the assurance work. Pharmacy checking clinics were conducted remotely via Zoom and ophthalmic contractors were offered the option of submitting records electronically rather than having these reviewed at a practice visit. With the return to some routine checks, recoveries by the end of March 2022 (£58K) had increased by more than 66% compared to the whole of the previous year.

During 2021/2022, the Probity Team continued to work closely with HSCB with regard to the Financial Support Schemes, as well as the Staff Recognition Payments.

In addition to providing support to the projects outlined above, the Patient Exemptions Team also processed in excess of 3,500 new patient exemption cases during 2021/2022. Recoveries returned to HSCB for the 2021/22 year were £128k which is higher than those returned for the 12 months of 2020/2021 (£53k)

Looking Ahead to 2022/23

Looking ahead to 2022/2023, we anticipate the demands on the Counter Fraud Service will continue to rise and we will need to consider how best to meet that increase, similarly the re-build of the Probity Service will be challenging and, of course, dependent upon how Northern Ireland navigates its way out of the COVID-19 pandemic. We do look forward to procuring a new Case Management System which we expect to be funded in 2022/23 and which will support us in managing our exemptions caseload more effectively.

HSC Pensions Service (HSCPS)

HSC Pension Staff have continued to strive for excellence and have embraced new ways of working with improvements to virtual and digital capabilities.

Key Achievements and Developments in 2021/22

Payroll Pension Team (PPT)

The Payroll Pension Team (PPT) was a recent addition to the HSC Pension Service Structure. Following a transfer of pension related duties from Payroll Shared Services the PPT took on full responsibility for processing the pay related elements of all HSC Pension Benefit applications. The team processed pensionable pay figures for 5505 pension events.

Pension Administration Team

The Pensions Administration Team has continued to award all pension related benefits in a timely manner, paying over 2,600 new pensions and all other payments in respect of death benefits, refunds, transfers. Most of the application forms have been digitally enhanced to allow for on-line completion by members and employers.

The GP Team

Throughout the 2021/22 year the team 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 Her Majesty's Revenue and Customs (HMRC).

Payroll Team

The Payroll team are responsible for processing pension and lump sum payments to pensioners. They also ensure other pension related benefits are paid in a timely manner. Approximately 418k individual payments were made to pensioners and members in the year 2021/22.

The Quality Assurance Team

The Quality Assurance team manages the transfer of data from employers to HSCPS and has ensured members can easily access their Annual Benefit Statements via the on-line portal.

Annual Allowance (AA) Team

The Annual Allowance (AA) team deal specifically with the many issues arising for HSC Pension Scheme members as a result of Pension Taxation legislation. The team has provided important support and guidance to scheme members in navigating this complex field.

Pension Liaison Team

The Pension Liaison Team continues the delivery of staff engagement sessions and consultations. In 2021/22 over 4,000 members availed of this service.

Northern Ireland Fire and Rescue Service (NIFRS)

The administration of the NIFRS pension scheme transferred to HSCPS and staff calculating all benefit payments for NIFRS staff.

Looking Ahead to 2022/23

The Pensions landscape will continue to shift. The recent completion of the Public Sector Pension Scheme Consultation, sometimes referred to as the McCloud Remedy will provide a multitude of challenges. These will include but not limited to:

- Continue to develop virtual and digital capabilities.
- The development of a system capable of managing the complex pension calculations associated with the changes in legislation.
- The recruitment and training of a project team to work on fully implementing the outcome of the consultation.
- The production and delivery of a comprehensive communication strategy to keep members fully informed of changes in legislation.
- The development of a number of on-line tools to assist members in making their choices.
- The development of current Member Self Service to include access for pensioners allowing them to view payslips online.
- Take over responsibility for the NIFRS pensioner payroll.

Customer Care and Performance Directorate



Mr Mark Bradley

Interim Director of Customer
Care and Performance

The Customer Care and Performance Directorate provides key services across the BSO and the broader HSC System. These services include Corporate Governance, Customer Relations, Planning, Performance Reporting, Risk Management, Information Technology Services, Equality Services, Honest Broker Service and Office for Research Ethics Committees (NI). This reflects a broad range of services with the core aim of providing excellence to all customers, both internal and external to the Business Services Organisation.

On reflection, there have been a number of highlights throughout the past year from across the Directorate including;

- Delivery of key Corporate Governance functions;
- Continued support for staff working remotely;
- Continued delivery of the key Regional Digital Programmes;
- Successful completion of the five-year Equality Reviews for BSO and the Arms - Length Bodies;
- Successful completion of all Research Ethic Committees; and
- Continued development of the Honest Broker Service, to include remote access.

A major development with the Customer Care and Performance Team, has been the implementation of a robust Governance Framework for the management of growth within all service areas which incorporates positive engagement with BSO customers.

We must acknowledge the dedication of the Customer Care and Performance Team across all the disciplines. Without the commitment and determination of all staff involved, we would not have been in a position to deliver the quality and scale of what has been achieved. We value our staff, and I am pleased to convey that a number of

areas across the Customer Care and Performance Team were nominated in the BSO Value awards. A very big thank you to all.

Looking forward to 2022/20223

On looking forward to the incoming year, I believe there will be challenges in continuing to deliver the quality services across the Customer Care and Performance Team. In particular, the following highlights some of the challenges for the Team:

- Development of a new Corporate Plan to commence on 1st April 2023;
- Continued preparatory work for the implementation of HSC Digital;
- Ongoing monitoring of the governance arrangements associated with the 'hosting' of the Strategic Planning and Performance Group staff;
- Ongoing monitoring of the BSO Equality Scheme;
- Review of the Office for Research Ethics Committees (Northern Ireland) processes and structure; and

I have no doubt the Team will rise to the challenges presented, as well as continuing to provide the business-as-usual service across the Directorate, whilst simultaneously addressing the challenges that will be presented during the course of the year.

The key achievements are detailed in the following pages and provide an overview from each service area.

Customer Care and Performance

The primary role of the Customer Care & Performance Team is to deliver a corporate service across the BSO, working in partnership with internal and external stakeholders and customers to improve service delivery. The department operates with a small team of staff.

The BSO has grown from approximately 900 staff across 14 service areas in 2009 to more than 1600 staff across 20 service areas in 2021 with plans to grow extensively, in particular, across ITS related functions. Our customer base has also expanded and we now deliver to 17 organisations within the Health and Social Care System and the Northern Ireland Fire & Rescue Service. Our services continue to grow year on year and this growth continues to be supported by the CCP team.

This department is responsible for the co-ordination and agreement of Service Level Agreements (SLAs) between internal directorates and external customers as well as the various partnership and engagement arrangements put in place to liaise with customers. The department has corporate responsibility across a number of key areas to support the Senior Management Team and the BSO Board. Each of these areas require a co-ordination and advisory role across 20 service areas, liaison with customers and the Department of Health Sponsor Branch, analysing returns, prioritising key issues, and drafting reports. These include:

- Corporate and Business Planning and Performance Management;
- Corporate Governance & Risk Management;
- Quality Monitoring and Reporting;
- Customer Relations and engagement;
- Communications and Social Media.

Key Achievements and Developments in 2021/22

- A Customer Portal site was developed and launched through SharePoint, enabling our customers to access Service Level Agreements, BSO Corporate Information and other important documentation and reports.
- A review of the BSO Corporate Governance Framework was undertaken which may result in changes to our current approach.
- A review of the BSO Customer Surveys was undertaken from June to September 2021. A key outcome of this review was the implementation of the first BSO Corporate Customer Satisfaction Survey launched in December 2021. In addition, a new cycle for individual service area surveys commenced in January 2022; completion of this cycle is due by January 2023. The team has also successfully introduced a new software package, namely Survey Mechanics, to aid the rollout of the surveys.
- A new Growth Protocol was developed to strengthen governance processes in relation to growth in service level agreements, these SLAs are fundamental to the operation and financial viability of BSO.
- The CCP team reviewed and strengthened the Corporate SLA process, enhancing the governance arrangements for all service areas to adhere to.
- An enhanced and improved monthly customer report was launched in April 2021. The new report contained recommendations and updates from BSO service areas following the customer report improvement project carried out by the CCP team. The new monthly customer report provides a comprehensive analysis for any service area that did not meet its Key Performance Indicators with its customers.
- A new Risk Template was developed for the Corporate Risk and Assurance Report, following a review of the Risk Management processes.
- A comprehensive review of the BSO Standing Orders (Standing Financial Instructions) (SFIs) was conducted, in conjunction, with the BSO Finance Department.
- Implemented a new process, in the form of Assurance Maps and Action Plans, for providing year-end assurances to customers to replace Controls Assurance Standards.

- Development of Business Matters to improve engagement and interaction with staff through more relatable and reader-friendly articles.

Looking Ahead to 2022/23

- A new Corporate Plan will be developed during 2022/23 which will include a review of the reporting mechanisms.
- A review of Service Level Agreements with the 6 HSC Trusts will be initiated.
- 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 review of the current approach to Benchmarking activity will be taken forward.
- A review of the Customer Relationship Strategy to ensure it meets demand will be conducted.
- Implement the findings of the review of the BSO Corporate Governance Framework, to include the implementation of a new Risk Management System.
- Roll-out of Customer Portal and engagement with stakeholders to raise awareness.

Equality Unit

Key Achievements and Developments during 2021-22

The Equality Unit facilitated 10 of its client organisations in completing their statutory Five-Year Review of Equality Scheme to the Equality Commission. In total, the team:

- Delivered nine briefings (at forum meetings; one-to-one; at senior meetings);
- Undertook 17 focus groups and six interviews;
- Reviewed and provided feedback on 32 self-completion tools, and
- Delivered five presentations on review outcomes.

Arising from the Five-Year Review, both the BSO and client organisations have made the commitment to progress the consideration of equality issues in the work they do. As a result, the Equality Unit has experienced a significant increase in demand for advice on equality screening and for mainstreaming support from clients.

The Unit was delighted to gain agreement from BSO and client organisations to restart the Disability Placement Scheme. As a result, nine placement offers were forwarded to Supported Employment Solutions who undertake the matching of candidates to the offers. The 26-week placements commenced in March 2022.

A further major achievement has been the rise in the number of participants of the Disability Awareness Days organised by the Equality Unit. Two days were delivered during the year: on Dementia (in December 2021) and on Attention Deficit Hyperactivity Disorder (in February 2022). The days included a live online session with an expert in the field (a health or social care professional or an individual with lived experience of the condition).

Looking Ahead to 2022-23

The key priority in the coming year will be to facilitate the BSO and client organisations in developing new Equality and Disability Action Plans by 31st March 2023. This will involve engaging with all clients and BSO service areas to support them in identifying key inequalities relating to their work and developing priority actions to address these in order to make a difference for specific equality groups. The Equality Unit will also coordinate and facilitate public consultation on the new plans.

The Office for Research Ethics Committees (ORECNI)

Research continues to be critically important this year during the COVID-19 pandemic, and there continues to be a massive research effort ongoing worldwide.

The Office for Research Ethics Committees Northern Ireland (ORECNI) at BSO plays an essential role in this research effort on a Northern Ireland, UK, and Global scale. It is a regulatory requirement that a favourable ethical opinion (from a NHS or HSC Research Ethics Committee), as well as approval from the UK MHRA (Medicines and Healthcare products Regulatory Agency) is in place for certain studies before a trial starts in the UK (e.g. vaccine and drug trials).

During the 2021/22 financial year, ORECNI continued to provide the normal research ethics review service for research involving patients, their tissue, and data, as well as urgent review of COVID-19 based research. It was essential that during the COVID-19 pandemic that the research community made every effort to plan and conduct well designed clinical trials and studies to high ethical standards. ORECNI has and will continue to provide accelerated ethical review of such studies via its HSC Research Ethics Committees.

Key Achievements and Developments in 2021/22

- Staff and volunteer committee members have adapted to the use of online videoconferencing technology to run research ethics committee meetings. Researchers submitting studies for ethical review now join the meetings via this online platform, rather than meeting face-to-face, which has facilitated the delivery of a high quality and efficient service.
- ORECNI is now required to ethically review COVID-19 research studies and amendments as an accelerated/ expedited process, as well as continuing with “business as usual” approval processes. A summary of all UK COVID-19 research approved by the HSC Research Ethics Committees and other NHS Research Ethics Committees is published at <https://www.hra.nhs.uk/covid-19-research/approved-covid-19-research/>.

- As well as supporting researchers to make generic electronic applications for ethical approval, our staff supported researchers availing of the new joint regulatory working approach with the Clinical Trials regulator, the MHRA. These customers were supported to migrate to a new, streamlined research application platform (New IRAS) in order to submit applications for clinical trials.
- Both HSC Research Ethics Committees also managed to obtain full quality accreditation during this demanding time whilst continuing to fully meet all legal and stretch target timelines.

Looking Ahead to 2022/23

The service will need to adapt to the 'new normal' after COVID-19 lockdowns, while retaining the learning gained from the flexible approach employed during the last two years. One important aspect of this will be encouraging greater equality and diversity within research studies submitted for ethical approval, and a move towards increasing the diversity of REC members to ensure HSC Research Ethics Committees are reflective of the society we live in.

Information Technology Services

BSO Information Technology Services (ITS) provides regional ICT Services to support the business objectives of all Health and Social Care (HSC) organisations throughout Northern Ireland.

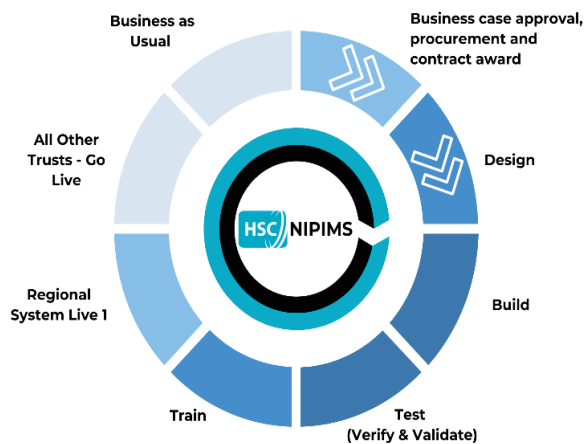
These services include:

- Transformation programmes and projects such Northern Ireland Pathology Information Management System (NIPIMs) Northern Ireland Picture Archiving and Communications System (NIPACS+) and Northern Ireland Digital Identity Services (NIDIS).
- Operational support of enterprise applications and services such as Northern Ireland Electronic Care Record (NIECR), Human Resources Payroll Subsistence and Travel System (HRPTS) and General Medical Services (GMS) ICT as well as specialist services such as integration and Data warehouse analytics.
- Managed infrastructure services such as, networks, client devices, email, cyber security, and collaboration.

ITS currently has around 420 staff across all of these areas and continues to expand the scope of the services it offers.



HSC NIPIMS Programme Stages

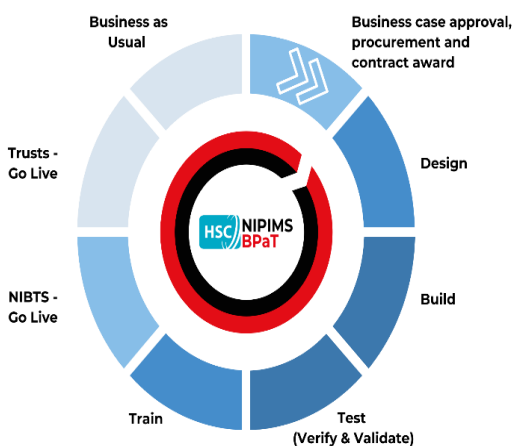


HSC NIPIMS

NIPIMS - The Northern Ireland Pathology Information Management System (NIPIMS) consists of the BPAT Project and LIMS Project.

This programme is both necessary in its own right, including recommendations through Department of Health Social Services and Public Safety (DHSSPS) Recommendations for the Future of Pathology Services in Northern Ireland (2007) and 'Health and Wellbeing 2026: Delivering Together' (2016), and also acts as an enabler for the ongoing pathology modernisation programme.

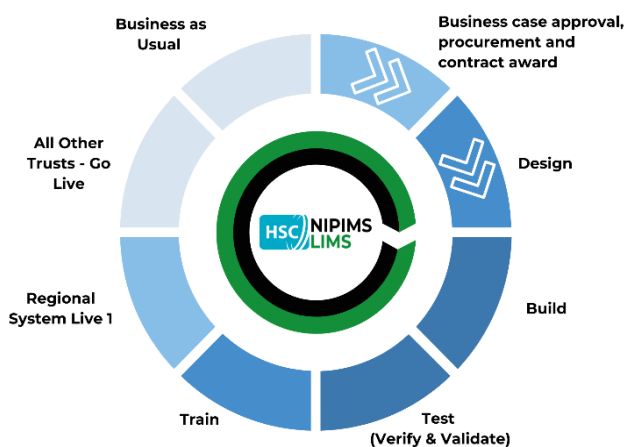
HSC NIPIMS BPAT Project Stages



BPAT – The Blood Production and Tracking System will implement an electronic, vein to vein, Blood Production and Tracking solution that will be capable of tracking blood products from donor to final fate transfusion. The solution will also enable a regional shared inventory of all blood product stocks and a Donor Web Portal.

- BPAT secured business case approval in December 2021.
- BPAT is preparing for procurement and expects contract award in 2022.

HSC NIPIMS LIMS Project Stages



LIMS – is a new £40m Laboratory Information Management System (LIMS), that will significantly improve the delivery of clinical diagnostic services for key areas of healthcare. Health and Social Care (HSC) pathology services perform around 40m diagnostic tests in Northern Ireland each year, the results of which inform over 80% of all healthcare diagnostic and therapeutic decisions for patients.

- Core LIMS launched in September 2021 and awarded the contract to **CliniSys**.
- Core LIMS has progressed to the Design stage and will be moving towards testing and training in 2022.



Northern Ireland Picture Archiving and Communication System (NIPACS), delivers services to meet clinical demand throughout the region. During 2021/22 there was focus on several improvements to further enhance the user experience, these included;

- Implementing regional dose management software; to enhance patient safety and assist in achievement of regional and national guidelines.
- Upgrade and deployment of additional modules to meet clinical need.
- The uploading of pictures and videos into NIPACS for various specialties throughout the region, utilising Image Central functionality. This continues to develop with new requesting units being deployed regularly.
- Expansions of this service, to include further go lives of uploading-patient medical photographs directly by clinical users.

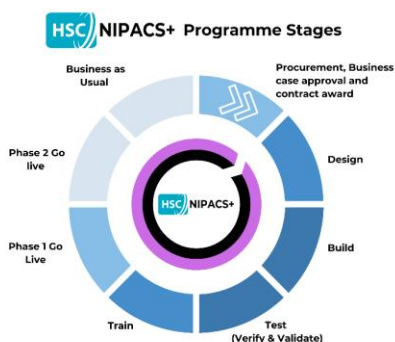
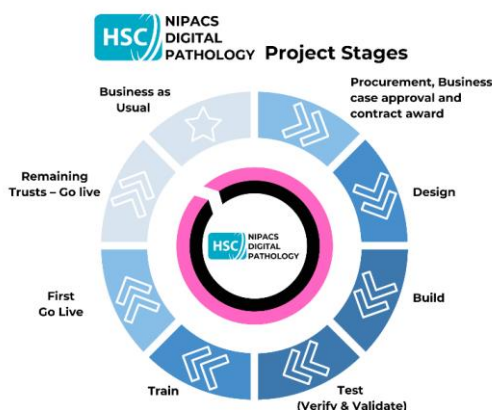
Northern Ireland is an early adopter of Digital Pathology and the first in the UK to implement this as an Enterprise Imaging service to include Radiology and Digital Pathology within the same system, providing benefits to Staff, the Service and most importantly service users.

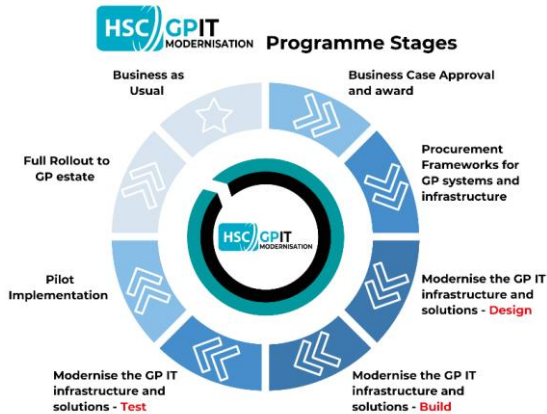
The creation of digital images enables the electronic sharing of patient’s pathology images to provide safe, high quality, accurate and timely Pathology services.

The Digital Pathology Service is now live regionally across the four relevant HSC Trusts in: Altnagelvin (Western HSC Trust), Royal Victoria Hospital (Belfast HSC Trust), Antrim Area Hospital (Northern HSC Trust) and Craigavon Hospital (Southern HSC Trust). The storage of digital images provides the opportunity for sharing images at local, regional, and national level to facilitate regional, collaborative, remote and out-of-hours reporting. There is a regionally agreed standardised workflow that underpins the digital solution. Since the implementation across the four sites there has been over 300,000 slides scanned and 200,000 studies reported.

NIPACS+ is a HSC- wide Programme, working to consolidate the disparate Imaging Solutions across the HSCNI landscape and will introduce a fully regional view of a patient’s medical imaging and reports regardless of geographical location and specialty.

The NIPACS+ Programme will deliver a single enterprise imaging solution for HSCNI to improve patient safety, enhance





When the GP IT Modernisation programme is completed, General Medical Services (GMS) will have in place a significantly modernised and centrally managed ICT infrastructure that is secure, resilient, and highly available; which meets industry cyber security standards. A modernised GMS ICT infrastructure will be the basis for future ICT developments that enhance the delivery of GMS Services. It will be flexible to meet current and emerging requirements, both technically and service led. This will bring benefits of improved clinical care, ability to meet the changing requirements with GMS and provide safe integration with other HSC systems.



NIDIS - Northern Ireland Digital Identity Service

NIDIS is the new regional master data Management (MDM) solution for Northern Ireland, in the first instance (Phase 1) we will use the NIDIS solution to manage the HCN number and the Golden Record for patients in Northern Ireland.

In Phase 2 NIDIS will replace the Primary Care Registration functionality in National Health Application and Information Service (NHAIS) for our colleagues in FPS – this will modernise and speed up the process for patient registrations with GPs. In the future NIDIS can be used to develop a golden record on just about any entity the HSC wants in the future, such as a Health Care Professional or a building or facility. The NIDIS programme is due to complete in mid-2023.



Key Developments and Achievements in 2021/22

GP VDI solution built for Vision and Merlok practices with a pilot completed in four practices

Commenced build of the new managed GP hosted environment in the HSC Data centres

Extended contracts with GP Clinical System Suppliers to March'23

Development of the NI GP2GP solution has commenced

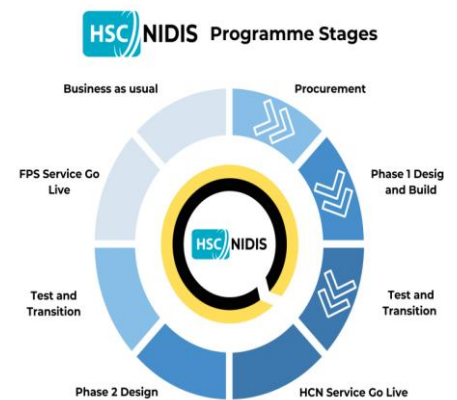
Looking Ahead to 2022/23

Migration of all Vision and Merlok practices (systems and clients) to the new GP hosted environment in the HSC Data Centres

Build GP VDI solution for EMIS practices

GP2GP to go live for all practices

Replace the NI GPSoC Framework for the provision of GP IT systems in NI.

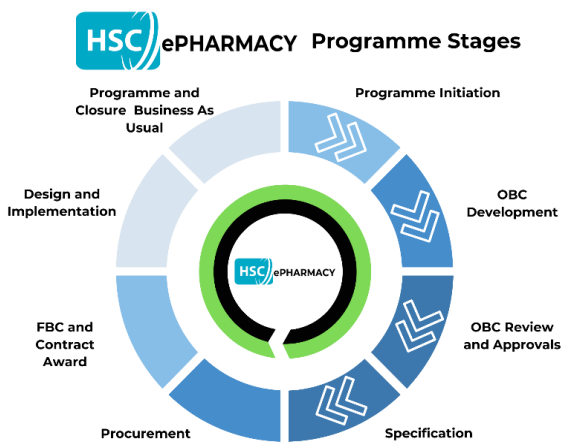




The ePharmacy Programme Outline Business Case (OBC) (covering Electronic Transfer of Prescriptions [ETP] and an IT solution for Enhanced Community Pharmacy Services [ECPS]) has gone through a number of rounds of Digital Health Care Northern Ireland (DHCNI) comments and subsequent updates and continues to go through the DHCNI review process. Engagement with stakeholders on specifying requirements has commenced, and a Request for Information (RFI) for ECPS issued to the market in February 2022.

Looking ahead of 2022/23

- OBC approval
- Complete work on specifications
- Commence procurement – planned 12 months duration



Business as usual for PAS , Theatres, BSIMS (Bowel Cancer Screening) and Colposcopy and continued working with Encompass Teams.

As part of the Regional Automated Laboratory Medicine Systems Project Roche, Biochemistry has been completed.

As well as routine support of the BSO LIMS SYSTEMS the LIMS team continue Analyser Interfacing for COVID related testing, provide support for the NIPIMS project with emphasis on Data Migration and working with our Encompass colleagues.

eEMS, NIMATS and CaPPS applications are continuing to be developed to meet the customer requirements. Major Oracle database upgrades were completed for NIMATS and eEMS . The teams continue to support Encompass colleagues.



Northern Ireland Electronic Care Record (NIECR)

32k

NIECR has a continual growth of users with 32k currently and projected 5k more this year – OBC predicted 10k



120

BAU delivery for a system with over 40 interfaces sitting on over 120 servers



NHS

We continue to work with Community and Independent sectors to facilitate the widening of NHS services on NIECR enhancing patient safety

IDS

Pilot of 'Immediate Discharge Summary' completed and changes based on feedback are currently being completed to facilitate rollout



2022

Upgrade project underway and at PID stage with a view to completion in September 2022



Approval

Awaiting business case approval. Noted on organisational Risk Register



HSC Business Services Organisation
Information Technology Services

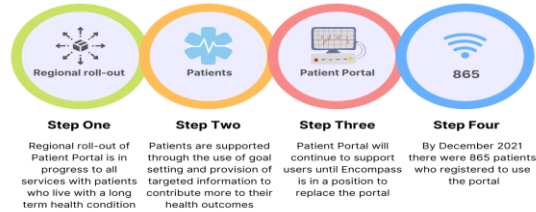
HSC NIECR

The Northern Ireland Electronic Care Record team won the Business Services organisation Award for Innovation at the 2021 BSO Awards

HSC Business Services Organisation

NIECR Programme - The Northern Ireland Electronic Care Record (NIECR) is a computer system that health and social care staff can use to obtain information about citizens' medical history. When treating or looking after you in hospital, they'll need to know about any allergies, long term health conditions or medicine you take. Your health and social care information is needed to make sure you get the best care. The NIECR will contain information from existing electronic record systems from hospitals and clinics throughout Northern Ireland as well as some information which is recorded directly in the system, where this is helpful to your care.

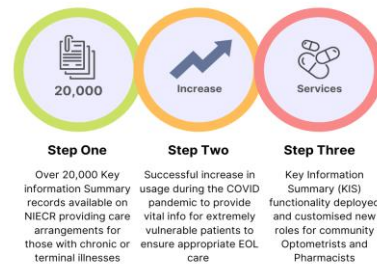
HSC NIECR PATIENT PORTAL



HSC NIECR Electronic Document Transfer



HSC NIECR KEY INFORMATION SUMMARY



IT Infrastructure Progress in 2021/2022

- Full refresh of the Security infrastructure.
- The move to F5 from secure client for BSO and the ALBS.
- The deployment of Sophos Central.
- The rollout of the newest version of Windows 10 across the Estate.
- Engagement in all major projects and programmes for tenders and development / server build
- The next iteration of Regional Wifi.
- The Full Fibre Northern Ireland Project.
- The GP VDI project and creation of the End User Compute Team.
- NIFRS Migration of services into the regional datacentres.
- The creation and development of a DBA function.
- The deployment and adoption of Fortimail/ tenable and forecout.

Rollout Plan - 22/23 - See Technical Enablement Project Roadmap

Office 2010 Upgrade:

To complete by May 22.

Exchange Online:

-BSO migration to Exchange online scheduled for July 22.

-80,000 HSC mailboxes to be migrated during 2022/23.

Microsoft Teams:

-Voice & Video calls available as well as chat functionality

-89 separate 'channels' will be setup to enable departments within BSO and other Arm's Length Bodies to collaborate and share information securely within 'Teams'.

Communications & Training:

-Project updates will be available on the SharePoint site throughout the implementation.



Procurement

Replacement Devices – spend only (PMO to provide full details)

Spend 2021/22 £22.5m

Estimated savings* £3.9m

* 15% reduction / significantly better devices

Microsoft Enterprise Agreement Renewal

Spend 2021/22* £5.5m

Savings £11m

*Includes £1m True-up licence costs for 21/22.



Microsoft 365 Design, Configuration & Testing - 21/22

Single Tenant:

Design agreed, system configured and tested.

Exchange Online:

Global pilot migration of ~500 HSC mailboxes across the HSC

Microsoft Teams:

- 100+ staff using Teams for online meetings and sharing information.

- Available for all BSO staff to install from March 2022.

Multifactor Authentication (MFA):

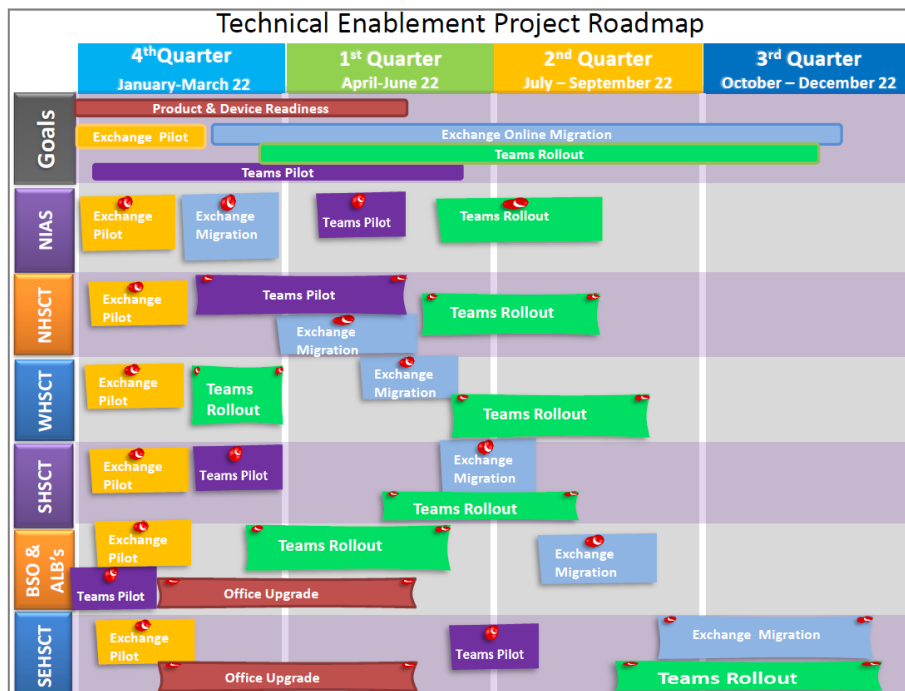
- All staff are encouraged to register for MFA as it is a requirement for moving to Microsoft 365.

Communications, Support & Training:

- A SharePoint site is available with links to online training material, support contacts.

- Service Desk: Service Desk arrangements are in place to support the implementation

- Emails are being sent to provide project information



£279M

Managing/renewing and developing 142 contracts to the total value of £279m.

£50M

Management of a Budget Portfolio across multiple funding sources circa £50m.

£800K

Achieved contract savings of circa £800k

£163,347

Managed ITS year's training spend which amounted to £99,337.85.

151

Organised training for 151 staff using various training methods, such as Class room based, eLearning, and Webinars.

Round 14 21/2

The Regional PC Procurement Project, BSO ITS and PaLs went out to tender to achieve significant cost savings for the HSC Trusts and Organisations by leveraging the collective buying power of the Health and Social Care in a single annual procurement exercise, which is now in partnership with Capita. During Round 14 ITS, Capita and Dell procured a total of **37,800 devices**, which to date, utilising a team of over 60 Capita deployment staff, we have deployed **19,000**. Once the equipment arrives into Capita secured storage, the PC Procurement team undergo an audit of all the equipment. During this time a total of **97,797 items** have been audited. Capita anticipate the deployments to be complete by **July 2022**. On average Capita and the HSC (5 Trusts, ALBs, NIFRS and GMS) deploy a total of **2,900 devices a month**.

Round 15 22/23

Following Round 14 completion, we will start to procure for Round 15 with Capita based on year 3 of the contract term. The PC Procurement team has conducted a regional exercise to determine the estimates for the 22/23 financial year. The total forecast for equipment and services are as follows;

Total of devices (Estimate 22/23): 13,394

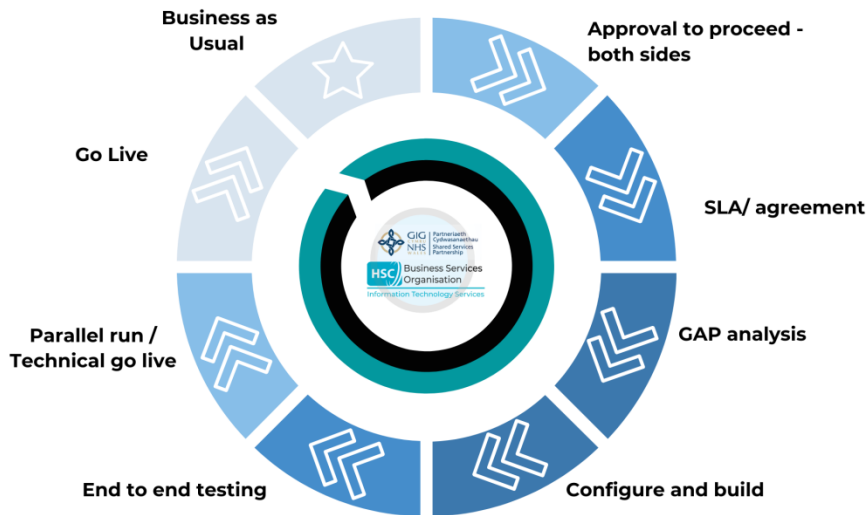
Total hardware items (Estimate 22/23): 32,554

Total of services (Estimate 22/23): 49,064





Programme Stages



The Business Services Organisation (BSO) and NHS Wales Shared Services Partnership (NWSSP) provide business support functions and specialist professional services to the health and social care sector in Northern Ireland and Wales respectively. NWSSP and BSO wish to establish a joint venture to promote innovation and shared learning between the two organisations. A common service is Family Practitioner Services (FPS) / Primary Care Services (PCS) to General Medical practitioners (GPs) across both regions. An initial vanguard programme will be the introduction of BSO’s Family Practitioner Payments System (FPPS) to NHS Wales.

The joint venture between Business Services Organisation Northern Ireland (BSO) and NHS Wales Shared Services Partnership (NWSSP) is a novel initiative that will create a relationship of mutual co-operation and collaboration between the two regions with similar primary care led Health Services, to support the sharing of resources and cost saving initiatives delivering customer focussed, cost effective, high quality and added value business services to the Health & Social Care sectors in both regions. We will promote a culture of continuous improvement and innovation that ultimately contributes to the health and well-being of the population of all of the citizens across our regions.

The Business Services Organisation (BSO) and NHS Wales Shared Services Partnership (NWSSP) system went live in a parallel run basis from autumn / winter 2001 and will be the sole system from April 2022.

Technical Enablement Project and Regional Infrastructure Refresh

James house project:

- All ITS staff have vacated Centre house.
- Clearance of all BSO ITS floors in CH completed on schedule
- Staff who were working in CH have now been moved to GVS
- Operational Equipment moved from CH to GVS and BSO Pals storage (Boucher Crescent)
- Arrangements for long term storage of Items for James House transfer is confirmed
- CH Final "sweep up" day planned for Early March
- Introduction of Agile working environment for ITS staff 22/23
- Implementation Room/Desk booking system 22/23
- Move into James house 22/23

Technical Enablement Project and Regional Infrastructure Refresh

NIFRS BAU project:

- Replacement of Audio/Visual equipment in all meeting rooms of 15 of the largest NIFRS sites (50k spend)
- Development of 5 Year Wide Area Network Business Case (approval by DoH expected by end of March 2022)
- Development of 5 year Client Device strategy for NIFRS (Business case submitted for DoH approval in February 2022)
- Decommission of all unsupported Windows client Operating Systems
- Annual client device hardware refresh completed (120k)
- Procurement and installation of additional Storage hardware realising application performance gains and improving the user experience (30k)
- Cyber Security audit undertaken with satisfactory assurance attained
- Oracle audit undertaken and successfully closed with no recommendations.
- Procurement and rollout of Assistive software across NIFRS for relevant staff (£80k)
- Rollout of Secure Remote Access for NIFRS On Call Watch Commanders

Technical Enablement Project and Regional Infrastructure Refresh

NIFRS Medium/large Projects:

- Regional Control and Control system – continue to laise and provide IT advice to project team (Project value £6m)
- Learning and development centre (DesertCreat Phase 1) – Completed and Go- live 21/22
- Learning and development centre (DesertCreat Phase 2) – business case approval for with over £1m IT spend (Overall project value £42k)
- Stack and Asset Management – Go- live 21/22
- NIFRS Active Directory Migration into HSCNI datacentres is underway, to complete 22/23.
- MS Exchange has migrated into HSCNI datacentres
- PowerBI pathfinder/proof of concept, hosted by BSO has been highly successful in efficiency and time savings. Hoping to transition to a Live service with BSO 22/23
- New RDS platform in HSCNI datacentres preparation underway, and scoping to begin shortly on what is needed for the NIFRS LoB servers to be hosted in the HSCNI datacentres 22/23

Technical Enablement Project and Regional Infrastructure Refresh

Data Centre Hardware Refresh:

To refresh data centre hardware to enable ITS to provide a fit for purpose IT Infrastructure housed within a highly resilient facility, to deliver core IT systems and services to the required level of availability, as and where required and transition for 120 regional service hosted on the hardware to begin in 22/23

2021/22 achievements:

- **Business case addendum approval received in April 2021 - Capital funding approval £7,000,000 and Revenue £321,921**
- **Hardware delivered to both data centres after long delays due to world wide shortages of hardware components.**
- **Hardware configuration completed for IBM P9 and HPE.**
- **Hardware testing ongoing on new hardware.**
- **Migration of services to new platform to begin 22/23**





GMS - Achievements in 2021/2022:

- On-going support to 321 GP practices, including the replacement of 2,112 devices.
- Successful completion of 2 separate practice system mergers and one practice closure.
- Move from Office 2010 to Office 2016 completed for over 50% of GP Practices.
- Significantly enhancement to IT security at GP Practices.
- No More Silos (NMS) Programme.
- Multi-Disciplinary Team (MDT).
- Photo Dermatology.
- Flu Vaccination.
- GP OOH:
- Covid-19 related achievements:
- GMS ICT Modernisation
- Encompass - Support to the design and planning of encompass integration with CCG. Support to the design and planning of an Order Comms solution for Primary Care.

Community and Social Care - Achievements in 2021/2022:

- On-going support of the NICHs across all Trusts.
- Covid-19 Vaccination Programme – creation of an invitation consent form and development to identify, schedule and invite selected children, within 12 to 16 age range, for vaccination.
- Further enhancement of Childhood Immunisation Programme to:
- New-born Bloodspot Screening Programme:
- Refinement of “Health for Looked after Children”, “Early Intervention Transformation Programme” and “Healthy Child Healthy Future” modules
- Refinement of the “Smart for Hearing” electronic interface to cater for the exceptions in the automatic transfer of child registrations from the NICHs to the national Smart for Hearing system.
- Version 2 of the School Health Programme enhancements to align with the Child Health Schools vaccination programme.
- Enhancement of the Influenza programme to facilitate the expansion to include all school aged children.
- Creation of / enhancements to standardised management and operational reports: Influenza Activity reports; Vaccination Cover Korner reports; New-born Bloodspot Audit reports; Indicators of Performance A28 Preschool Surveillance Activity reports; HPV reports; Breast Feeding – filtering; EITP reports – locality refinements;

Community and Social Care - Achievements in 2021/2022:

- On-going support of SOS CARE, UNOCINI, eNISAT and FIM/FAM.
- Completion of the Children’s Statutory Reports Project:
- Develop new Pre-birth Risk assessment process and link to UNOCINI processes for unborn babies.
- Upgrade SOS CARE operating environment to AIX7.2.
- Develop new hybrid delivery model for Physical Activity Referral Scheme (PARS), including login process for non-HSC staff whilst maintaining required security.
- Development of new monthly DoH covid-19 referral and assessment reports, including for Child Protection.
- Encompass: Engagement in the discovery process for Children’s and Elderly services’ functionality and for data migration.
- Enhancement of Family Nurse Partnership application.



Successes of 2021

- HSC Cyber Security Strategy launched
- Multiple business cases approved for resource and capital expenditure
- Regional set of Security Policies and Standards approved and in implementation
- Staff funding secured for 2021/22
- Supplier Management Framework Developed
- Implementation of a Regional Secure Email Gateway
- Network Security review completed and blueprint operational

Challenges for 2021

- Managing a Programme against the need for Operational Cyber
- Delivery as projects move into BAU
- Increased need for HSC wide approach to visibility and accountability on Cyber Security
- Cyber Policies, Processes and tools to be applied consistently across all of the HSC IT landscape
- Multiple “layers of defence” in place across all of the HSC in order to meet the strategic objectives of the strategy
- Secure funding for all Cyber resource across the HSC
- Increasing risk to the HSC of recurrent compromises of commercial and non-commercial HSC partners

Going forward into 2022

- Submission of the Cyber Strategic Business Case to deliver against the strategic deliverables including Cyber staff across the HSC
- Recruitment of Cyber staff for both programme and operational cyber needs
- Continue to increase Cyber protection through the delivery of key projects detailed in the cyber blueprint across the HSC
- Compliance management
- Completion of all tactical recommendations to further increase cyber controls within the HSC
- Implementation of Cyber training and awareness system





KEY DEVELOPMENTS AND ACHIEVEMENTS IN 2021/22

- Agreement across HSC on delivery model to implement HSC Digital.
- Programme Board approval of HSC Digital Business Case.
- Initial Baseline Exercise completed for Digital services within HSC.

LOOKING AHEAD TO 2022/23

- Approval & release of funding for Business Case
- Recruitment of key posts to enable Digital change programme
- Commence Work Streams to enable transfer of staff into HSC Digital.

HSC DIGITAL IN NUMBERS

74000+

STAFF THAT WILL USE HSC DIGITAL SERVICES

900

STAFF WILL BE EMPLOYED ACROSS HSC DIGITAL SERVICES

8

ORGANISATIONS DIRECTLY INVOLVED WITH HSC DIGITAL PROGRAMME

£120M

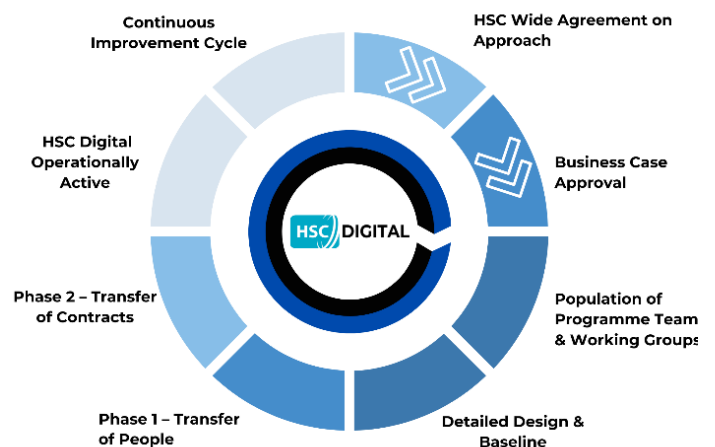
BUDGET PER ANNUM

The **HSC Digital** Programme is an ambitious programme to revolutionise how digital services supports staff, clients and patients across Health and Social Care (HSC).

Utilising a shared services delivery model, HSC Digital will improve the effectiveness and efficiency that HSC delivers digital services, while also driving wider improvements - making HSC better able to respond to changing environments.

The direct scope for HSC Digital includes seven organisations (six HSC Trusts & Northern Ireland Blood Transfusion Service (NIBTS)), alongside an existing IT shared service within BSO. When this programme of work completes approximately 900 staff will be employed within HSC Digital, providing support to over 74,000 staff.

HSC DIGITAL Programme Stages



Thank you to all of our BSO ITS Colleagues for your continued hard work and passion

throughout 2021/2022



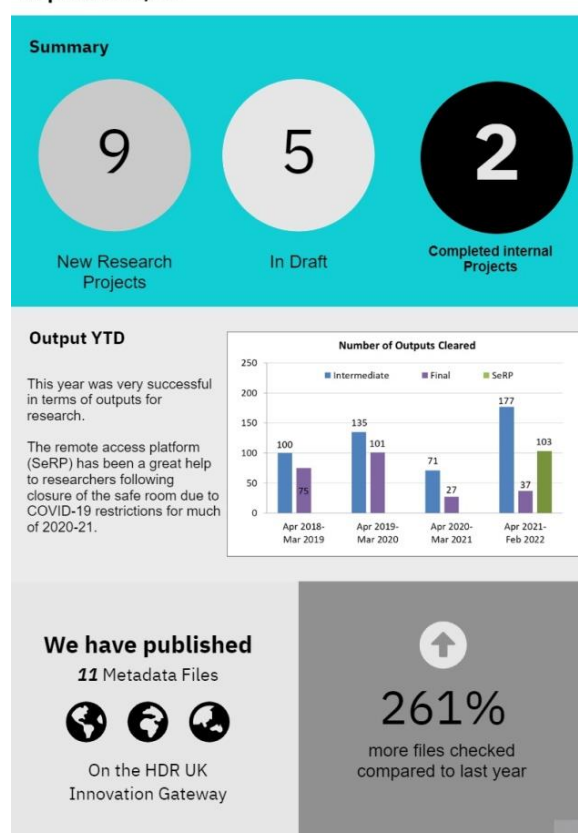
Honest Broker Service

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.

Key Achievements and Developments in 2021/22

- Support for the Health Data Research UK (HDR UK) National Core Studies Programme (COVID-19) including a project relating to COVID-19 on vaccine safety and efficacy.
- Establishment and Collaboration with the Northern Ireland Trusted Research Environment (NITRE)
- 9 new research projects approved and 2 completed internal requests, a significant increase in number of outputs cleared.
- The ability to offer remote access via the HBS Secure e-Research Platform has greatly assisted with this work and the majority of projects are now run remotely through the Virtual Desktop Infrastructure provided by the technology collaboration with Swansea University.
- For the first time a team of researchers from outside of NI have been able to access HSC data via the HBS – a project team from Kings College London investigating the impact of COVID-19 on palliative care across the UK.
- We have continued to support the development of the [HDR UK Innovation Gateway](#) and it is possible to browse metadata and apply to access data via the [HBS Collection](#) on the Gateway.

Honest Broker Service - Annual Report 2021/22



- Non-Research projects have included the provision of anonymised Cardiology Audit data to the National Institute for Cardiovascular Outcomes Research (NICOR). This is something that Northern Ireland had not been able to participate fully in previously and the HBS worked with the Cardiology Network, HSC Trusts and Privacy Advisory Committee to establish flows in a safe way.

Looking Ahead to 2022/23

- With sustained investment, the HBS aims to continue to grow and become an accredited processing environment under the Digital Economy Act. This will improve processes and open up new avenues for data sharing.
- The General Practice Intelligence Platform (GPIP) continues to progress in its development and will become a hugely important new source of primary care data accessible via the HBS.
- HBS will continue to support the Northern Ireland Longitudinal Study and grow the portfolio of HBS research and non-research project.

Finance Directorate



Karen Bryson
Director of Finance

Key Achievements and Developments in 2021/22

COVID-19

The pandemic has presented many opportunities and challenges over the last two years for the delivery of financial services to both BSO and our customers requiring the delivery of services in a remote working environment to ensure staff safety while delivering high quality services to our customers. I am delighted to report that the resilience and teamwork within the Finance Directorate has enabled all department members to meet their required targets and provide a high-quality service both internally, within the organisation and externally, to our customers.

Financial Planning, Monitoring and Reporting

The BSO achieved its statutory breakeven requirements in 2021/22, arriving at a £26k surplus for the Organisation at the financial year end. During the 2021/22 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 2021/22 was £300m and this was reported on to the Senior Management Team, BSO Board and managers monthly throughout the financial year. The total number of budget reports issued for the year was on average 260.

Client Accounting

The Directorate provided a range of financial accounting and financial management services during 2021/22 to a number of Arms-Length Bodies namely, HSCB, PHA, NISCC, NIGALA, PCC, NIPEC, NIMDTA and RQIA.

The Client Accounting team provided budgeting, financial management and forecasting services to NISCC, NIGALA, PCC, NIPEC, NIIMDTA and RQIA supporting them to monitor and achieve financial breakeven positions. The net expenditure reported through these accounts was £43.2m. The team prepared full Statutory Financial Statements at year end for these ALBs, liaised with internal/external auditors on their behalf, prepared supporting documentation during the year end audit and provided information to support the preparation of the Annual Reports for these ALBs.

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 circa 34,000 amounting to circa £21.7m. The team supported the ongoing national public inquiry into Infected Bloods and advised/implemented an entitlement payment scale review for Northern Ireland. In addition, the team supported the increase in Trainee Nursing places implemented by the Department of Health in academic year 2020/2021.

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 Equip programme. The total budget that was managed during 2021/22 was £41m.

Financial Services and Governance

The Financial Services team provided treasury management services to all HSC customers. The team also completes all balance sheet reconciliations for BSO and the ALBs to ensure financial control.

The team also supports the SPPG (formerly HSCB) through the monthly reconciliation and analysis of payments made for Family Health Services. The values of payments in the current year was £1,070m.

The Directorate services and supports the Organisation's Governance and Audit Committee (GAC) which meets quarterly. We have established a new Internal Audit Forum to support the business units in the management and delivery of their internal audit recommendations.

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.

DoH Strategic Planning and Performance Group (SPPG)

As part of the wider transformation agenda for HSC as set out in Health & Wellbeing 2026, the Health and Social Care Board (HSCB) will close on 31 March 2022 and will result in the establishment of the SPPG. All former staff for HSCB will report to the Department of Health SPPG but will retain their Terms and Conditions through a hosting arrangement with BSO and this will be effective from 1 April 2022. During 2021-22 the Finance Directorate worked closely with the DoH/HSCB finance teams to take forward the closure of the HSCB and the development of a new financial model to support the accounting, reporting and assurances required for the new DoH Strategic Planning and Performance Group (SPPG). We will continue to work closely with the DoH/SPPG throughout 2022-23 to ensure a smooth transition.

Looking Ahead to 2022/23

In 2022/23 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 wider HSC to support the current COVID-19 Pandemic Plan and the rebuilding of the Health and Social Care Services. We will continue to support a smooth transition of the HSCB staff into the DoH (SPPG) and BSO and the new financial reporting requirements effective from 1 April 2022. The restoration of the Northern Ireland (NI) Executive will be required before the DoH can confirm a budget for 2022-25.

Internal Audit

The BSO Internal Audit Unit provides an internal audit service to all 17 arm's length bodies of the Department of Health (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.

The Unit operates in compliance with the Public Sector Internal Audit Standards. The Internal Audit Service is accredited to the ISO 9001:2008 quality standard.

Key Achievements and Developments in 2021/22

- The key objective of the service is to ensure the delivery of the Internal Audit Annual Plans to all client organisations, resulting in the provision of a Head of Internal Audit overall annual opinion on the adequacy and effectiveness of each client organisation's framework of governance, risk management and control. This key objective was achieved within the required timeline, despite the challenge of delivering the Internal Audit Service during COVID-19 and vacancies in our staffing structure.
- During 2021/22, the BSO Internal Audit Unit worked with DoH Internal Audit and HSCB Management as part of the DoH HSCB Migration Project, to develop a proposed operating model for auditing the Strategic Planning and Performance Group in DoH, upon migration of HSCB to DoH on 31st March 2022. The proposal was approved by the DoH Migration Oversight Board and a Memorandum of Understanding has been developed between BSO Internal Audit and DoH Internal Audit.

Looking Ahead to 2022/23

During 2022/23, our focus will be on increasing our on-site presence during audits as COVID-19 restrictions ease/end; staffing stability and training; and continued increased use of data analytics in our audit assignments. During 2022/23, we will also review the structure of our Unit.

Legal Services Directorate



Mr Alphy Maginness

Chief Legal Advisor

*Retired 28th March 2022

Ms June Turkington

Interim Chief Legal Advisor

from 29th March 2022

DLS have continued to provide high quality customer focus and legal services exclusively to HSC bodies in Northern Ireland 2021/22.

The total time providing legal support to our HSC client was 112,428 hours.

This equates to an increase of 23.7% compared to the previous year.

DLS has continued to provide legal advice and representation in core areas of law; the work of the Directorate has expanded in light of developments in the law, including the Mental Capacity (NI) Act 2016 and the Coronavirus Act 2020, and as a result of increased demand for services in virtually all areas, such as Medical Negligence, Family Law, Employment Law, Judicial Reviews, and response to legal issues relating to the pandemic. In addition, there is an increasing number of IT projects which require dedicated legal support from our Commercial Law team, such as encompass, EQUIP, LIMS, NIPACS, Digital Shared Services.

Other major projects are planned which will also require legal support. The Infected Blood Public Inquiry, which is UK wide, and the Neurology Public Inquiry continued during the year. Two further Public Inquiries, in relation to Muckamore Abbey Hospital and the provision of Urology Services in the Southern HSC Trust commenced in the autumn of 2021 and are likely to last a number of years.

COVID-19 Specific Issues

As a result of the pandemic DLS was obliged to implement its Business Continuity Plan. The majority of staff worked from home with a limited number in the office at any one time; arrangements to protect and safeguard staff continued in the office continued, such as social distancing, wearing masks, use of sanitisers, a one-way system and automatic doors and taps, etc. The courts continued to carry out remote hearings on Sightlink, although contests were heard in person; the Court Service required the wearing of masks in courthouses, whilst judges determined when masks could be removed in courtrooms.

DLS provided legal support to clients on a range of COVID-19 related issues throughout the year; issues relating to COVID-19 placed additional demands on our staff in meeting our clients' needs. Specific legal advice was provided to clients in relation to leases, licences, contracts with private sector bodies, procurement, and enforcement of Regulations. Indeed, it is noteworthy that

Vaccination Centres could not have opened without the input from our Commercial lawyers in preparing the necessary contracts and licences.

Key Achievements and Developments 2021/22

- With the very welcome and helpful assistance of the Leadership Centre, DLS developed its strategic plan for the next three years, following engagement with staff and clients.
 - Following the development of the DLS Strategic Plan, an independent review of DLS was carried out by 2 Associates from the Leadership Centre; this was a comprehensive and detailed examination of DLS, its strengths and weaknesses, and provided a series of challenging recommendations and a pathway for implementation. The reviewers made presentations to all staff, the Board of BSO and clients, which were very well received. A Business Case is being developed to obtain the resources to implement the various recommendations.

- The business case for IT in DLS was approved by the senior management team of BSO, and Digital Health Care Northern Ireland (DHCNI) in the HSCB, and the procurement process is underway, but it will be next year before a supplier is appointed.

- DLS achieved re-accreditation to ISO and Lexcel quality standards during the year; these re-accreditations last for three years, with annual reviews.

- DLS has continued to achieve substantial savings for our clients including:
 - **£2,319,560.68** from third party costs through challenge/negotiation.
 - **£488,371.55** on counsel fees as a result of a cap on fees from the DLS junior counsel panel.
 - **£635,172.55** on Compensatory Recovery Unit (CRU) payments following successful appeals.

- DLS also recovered £2.3m of debt on behalf the HSC, despite the difficult circumstances of the year.

- In only 76% of settled medical negligence actions throughout the year was a payment in respect of compensation made; this means 24% were successfully defended.
- DLS wishes to acknowledge and thank all staff for their resilience, patience, co-operation, and commitment over the last year. They continued to contribute to the delivery of high-quality legal services, despite the COVID-19 restrictions and the significant increase in demand.

Looking Ahead to 2022/2023

- DLS will implement recommendations of the independent review in the course of the year.
- The IT modernisation project will also be progressed in the coming year, following the appointment of a supplier.
- We will continue to meet our clients' needs for legal advice and representation in all areas of the law in 2022/2023, and continue to work with our clients in providing high quality legal services.

Human Resources and Corporate Services



Mrs Paula Smyth
Director of Human
Resources & Corporate
Services

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).

Key

	Category	No. of Staff
Business Services Organisation	Male	752
	Female	918
	Total	1670

Achievements and Developments in 2021/22

- During 2021/22 the HR Department continued to have a significant role at both an organisational and regional level in supporting HSC staff to respond to the pandemic.
- HR staff had a major role in the recruitment, appointment and resolution of HR issues relating to the new service areas created to manage the impact of COVID-19 such as Contact Tracing & Vaccination Centre. BSO HR supported the Public Health Agency (PHA) in recruitment of 1,732 staff members in 2021/22.
- BSO HR was involved in the Regional HR Cell, contributing to the development of FAQ's, Risk Assessments, and Guidance & Support for Managers and staff. Local issues were considered at the BSO COVID-19 working group which was led by HR.
- BSO secured IIP Reaccreditation to Silver level in December 2021 with improvements across all 9 IIP Indicators.
- 85% of staff had an appraisal of their performance completed by 30th June and 85% of staff had a personal development plan in place by 30th June 2021.
- BSO HR delivered the BSO Awards 2021 with 75 nominations received from across the organisation and over 700 attendees joining from across BSO.
- Throughout 2021 BSO HR established a range of Health & Wellbeing Networks, including a network of Mental Health First Aiders dispersed throughout BSO. BSO HR's Jill Macaulay and Eamonn MacManus were awarded Inspire Wellbeing Group's Outstanding

Employee Led Initiative Award for their 'walking challenge' which encouraged staff to increase their physical and mental health.

- In 2021 BSO HR introduced the Menopause policy and Domestic violence policy and rolled out a wider Health and Well-being Agenda in line with the BSO Framework.
- BSO HR led on the people issues relating to the migration to ensure both BSO and Health and Social Care Board are prepared for BSO to become host employer on 1 April 2022.
- HR provides ongoing support to staff and managers in the Management of Attendance to include absence dashboards, guidance, and training. BSO achieved the corporate attendance targets as set by Department of Health and recorded an absence target for 20/21 as 4.34% and achieved 3.22%. After month 9 (December) this year (21/22) this was sitting at 3.31% cumulative so despite current challenges absence % are in target compared to 2020/21.
- Despite the challenges of recruiting from overseas during the pandemic, including a 5 month ban on Indian arrivals, the International recruitment team played their part in the welcoming 234 overseas Nurses to HSCNI in 21/22 to support the HSC Trusts in rebuilding their services. In collaboration with the 5 HSC Trusts and with CEC's OSCE preparation programme support, they have now recruited over 1100 international nurses.

Looking Ahead to 2022/23

- Working in partnership, embed the new Strategic Planning and Performance Group staff hosting model within the organisation.
- Facilitate BSO and client organisations to progress their organisational transformation and change agendas.
- Cognisant of the current working environment, including agile working, Just Culture, and the out workings of the Investor liP re-accreditation process develop an HR Organisational Development Strategy for the BSO.
- Lead on the people issues arising from major digital transformation including Encompass, Equip and the creation of HSC Digital.

Corporate Services

COVID-19: Health & Safety

Throughout 2021/22 Corporate Services continued to respond and adapt to the public health emergency. Large parts of the BSO continued to work in its offices and warehouses throughout the year. Corporate Services led on Health and Safety advice and guidance and continually adapted throughout the year to ensure our staff and our properties remained safe in light of changing government advice. We continued to monitor staff numbers in our buildings through the Situation Report (SitRep) process and we continued to adapt our office space and ways of working in order to keep our staff safe.

Estates & Facilities Management

During 2021/22 BSO employed a fully qualified Estates Manager to ensure we have the relevant expertise to ensure compliance and oversee works across the BSO Estate. Throughout 2021/22 Corporate Services commenced an extensive range of building surveys across the entire BSO estate. This was undertaken to ensure all properties can provide a modern office environment that facilitates agile working - specifically to implement the principles of the Government's Office Accommodation Standards. We continued to be actively involved in the Northern Ireland Executive Asset Management Strategy through the Reform of Property Management (RPM) programme. Construction work on the Department of Finance James House (Gasworks) project in Belfast was delayed in 2021/22 due to a number of factors. It is envisaged that James House will be available from mid-2022 and the BSO Project Team remain fully engaged in managing the BSO transition to the new James House accommodation and the exit from the Centre House lease.

Complaints

BSO employed a full-time complaints manager to enable BSO to take forward audit recommendations to strengthen governance arrangements in BSO's handling of complaints. New process for managing complaints were introduced including mandatory risk assessment of any complaint along with a requirement for each department to detail any lessons learnt and changes implemented as a result of complaints.

Within this financial year the team dealt with 64 formal complaints. This is an increase from 53 in the 2020/21 financial year. Lessons learned reviews are carried out after each complaint where appropriate.

Complaints are analysed to identify trends reported to the Business and Development Committee of the Board on a quarterly basis. An annual Complaints Report will be produced for consideration by the BSO Board at its monthly meetings.

BSO undertook a range of further actions to enhance the handling of complaints that includes:

- The creation of a complaints focus group, to address the level of formal complaints and to disseminate lessons learnt across the organisation.
- The creation of a mandatory online complaints awareness training course that will be completed by all staff within the BSO.

Information Requests

During the 2021/22 year, the Information Governance team processed 999 requests for information, via:

- The Freedom of Information Act (2000);
- Data Protection Legislation; and
- The Access to Health Records Order (Northern Ireland) 1993.

This is an increase from 793 in the 2020/21 year.

Data Breaches

During the period 2021/22 there were two instances regarding BSO data breaches reported to the Information Commissioner's Office (ICO). This is an increase from zero in the 2020/21 year. The ICO did not take any action on one of these breaches. The ICO are currently considering the other breach, which was only reported in February 2022.

UK General Data Protection Regulation (UK GDPR)

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

- Awareness campaigns for staff;

- Review of existing policies and procedures;
- Review of Service Level Agreements; and
- Working with regional colleague to develop streamlined processes.

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 UK GDPR.

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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.
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Department of Health has designated Karen Bailey of the Business Services Organisation as the Accounting Officer for the Business Services Organisation. The responsibilities of an Accounting Officer, including responsibility for the regularity and propriety 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.

As Accounting Officer I can confirm that the Executive Directors and I have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditors of Business Services Organisation are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

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.
- **Partnership Forums and Shared Services Regional Customer Forums**
Partnership meetings with all HSC client organisations are conducted annually at a corporate level and BSO Directorates maintain regular customer service engagement meetings to discuss service delivery issues and changes required to Service Level Agreements. A group was established in 2019, known as the ALB Forum which brings together the ALBs and Senior Staff from BSO in a quarterly forum. The Assistant Director of Customer Care & Performance in BSO attends all meetings and is responsible for coordinating attendance from across the BSO for senior staff. An agreed agenda is prepared on a quarterly basis and BSO service areas are periodically invited to attend the meetings to provide updates and to discuss issues concerning performance and quality in relation to Service Level Agreements. BSO conduct regular Customer Surveys and Benchmarking activities which are shared as appropriate.

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 (including the Encompass 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.

Administered Services

On instruction from the DoH, BSO undertakes payment arrangements for a range of services, namely, Bursaries for Nurse Training, Infected Blood Infected Scheme, Healthy Start Initiative, Supplement for Undergraduate Medical and Dental Education (SUMDE) and Regional Training Schemes for which total funding of approximately £29.6m (is received via the Revenue Resource Limit (RRL). BSO also makes payments for Interpreting Services on behalf of HSCB totaling approximately £3.9m.

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 2021 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 2021/22 did not indicate any significant 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. During 2021/22 BSO Board operated without three of its compliment of Non-Executive Directors, having not renewed their contract when the term expired. 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 2022](#)

Board/Committee	Number of meetings	% Attendance
BSO Board	11	90
Governance and Audit	5	95
Remuneration and Terms of Service	0	-
Business and Development	4	100

The attendance of officers at the BSO Board in 2021/22 is shown in the table below:

	No. Meetings Attended	No. of possible Meetings
Non Executive Directors		
Julie Erskine	10	11
Mark Campbell	11	11
Patricia Gordon	11	11
Sean McKeever	11	11
Prof D Whittington	10	11
Robert Bannon	11	11
Executive Directors		
Karen Bailey	10	11
Karen Bryson	11	11
Alphy Maginness	11	11
Peter Wilson	8	9
Paula Smyth	10	11
Mark Bradley	10	11
Martin Bradley	2	2

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 2021/22 assessment was carried out in January 2022 and did not indicate any significant issues.

3.3 Role of the Remuneration and Terms of Service Committee

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 page 17 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 May 2020 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 amount of risk the BSO is willing to accept, known as 'risk appetite' varies depending on each individual risk. Risks broadly cover financial, infrastructure and our workforce. No system can be risk free and the BSO's strategy is to focus on the effective management of known risks to support efficient service delivery. We will not accept risks

that could result in poor quality service, non-compliance with standards or poor professional practice.

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 and/or team sessions are available for any services areas who would like support/training on completion of the risk register. A new Risk Management on-line training module was introduced in 2020/21.

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.

Risk of Cyber Attacks

The BSO is committed to ensuring the security of information held in electronic form in accordance with its ICT security policy. The BSO is aware of the international risk of Cyber Security and has robust defences in place to deal with all known threats. The Corporate Risk Register includes a high level Cyber Security risk.

A Cyber Incident Working Group is in place to act swiftly to any alerts and the BSO chairs the Regional Cyber Security Programme Board which addresses threats and takes common actions to strengthen cyber security defences.

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. Regular customer engagement mechanisms are in place between customer organisations and BSO services and a Customer Forum was established in 2019, known as the ALB Forum for the Regional HSC Organisations. This Forum was specifically established to provide a mechanism for ALBs to engage on a quarterly basis with BSO representatives. Customer and staff surveys are 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. Throughout 2021/22 all board meetings have taken place via Zoom to ensure the safety of the members and their families in line the current Government guidelines due to Covid-19. When these restrictions lift and physical board meetings resume, the BSO Board will holds several of its meetings outside Belfast in line with previous years to enhance public access to its meetings. BSO Board will also explore digital solutions to enhance public access.

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 March 2022.

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. A comprehensive review of the Schedule of Assurances was undertaken in September 2021. The Schedule of Assurances outlines the assurances provided to BSO Board/SMT/GAC/BDC and Customers and their reporting Schedule to ensure that clear reporting lines and defined purpose is in place for all groups within the governance structure. SMT agreed on 14th April 2022, that it is feasible for CCP to co-ordinate with the Chief Executive's Office to take corporate responsibility for scrutinising the list of BSO service area assurances for relevance and completeness as defined in the Schedule of Assurances.

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 2021-22 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	
Review of Finance Controls Across BSO	Limited - HRPTS System Administrator processes & BSO Staff in Post Checks Satisfactory - Non-Pay Expenditure, Travel Expenses, Budgetary Control and Management of External Consultancy
Finance Services to Smaller ALBs	Satisfactory
CORPORATE RISK BASED AUDITS	
Family Practitioner Service - Pharmacy	Satisfactory
PaLS – Procurement	Satisfactory

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Pension Processing – HSC Pension Schemes	Satisfactory
Information Governance -	Limited
ITS Project Management	Satisfactory
GOVERNANCE AUDITS	
Risk Management	Satisfactory
SHARED SERVICE AUDITS	
Payroll Service Centre -	Satisfactory - Elementary PSC processes Limited - End-to-End Manual Timesheet Processing, SAP / HMRC RTI Reconciliation, Overpayments and Holiday Pay
Accounts Payable Shared Service	Satisfactory
Accounts Receivable Shared Service	Satisfactory
Regional Interpreting Service	Satisfactory
Recruitment Shared Services	Satisfactory – RSSC Processing Activities as defined within current process Limited – HSC recruitment processes

8.1.1 Review of Finance Controls across BSO

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 and Staff in Post processes. Although there are controls in place within BSO HR, to monitor access and allocation of HRPTS core user roles, these are not being performed on a regular and timely basis. BSO HR was unable to demonstrate that all Staff in Post (SIP) reports were consistently issued and there is no evidence that these are checked and returned as required.

8.1.2 Payroll Service Centre

Elementary Payroll Processes were given a Satisfactory assurance. Management of End-to-End HSC Timesheet Processing, SAP/HMRC RTI Reconciliation, Management of Overpayments and Holiday Pay were, however, given a Limited assurance. End-to-end timesheet processes in the HSC (including within PSC) require strengthening. 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

8.1.3 Information Governance

Information Governance was given a limited assurance. The BSO Information Governance plan requires updating and additional reporting to SMT and the Board/Committees is required. Monitoring and recording of mandatory training required by senior staff requires improvement, as assurances could not be provided that this has been completed.

8.1.4 Prior Year Recommendations

During their year-end follow up of outstanding audit recommendations and recommendations from advisory assignments, Internal Audit found 281(74%) of the 379 recommendations followed up were fully implemented, a further 90 (24%) were partially implemented, and 8 (2%) were not yet implemented.

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.

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

10.2.1 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 fix was applied in November 2021 going forward which amended manual processes to ensure correct calculation of employers superannuation. Manual retrospective calculations are still required for the period April 2019 to November 2021. Whilst this does not affect BSO payroll specifically, it does have an impact on other HSC organisations.

10.2.2 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. This has now been reduced to 1500. A previous backlog of outstanding queries has now been resolved, however ongoing queries are continuing to build up.

HSC Pension Service has put in place a change request with the HSC Payroll Provider to ensure that future data transferred from HSC Employers to HSC Pension Service will ensure accuracy to meet the requirements of the Scheme Valuation. HSC Pension Service is also proactively working to address any concerns raised by GAD in relation to historic data used in previous valuations.

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

There are no new issues for 2021-22

11. Budget Position and Authority

The Assembly passed the Budget Act (Northern Ireland) 2022 in March 2022 which authorised the cash and use of resources for all departments and their Arms' Length Bodies for the 2021-22 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2022 also included a Vote on Account which authorised departments' and their Arms' Length Bodies' access to cash and use of resources for the early months of the 2022-23 financial year. The cash and resource balance to complete for the remainder of 2022-23 will be authorised by the 2022-23 Main Estimates and the associated Budget Bill based on an agreed 2022-23 Budget. In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7

of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

12. UK exit from the EU

The Northern Ireland Protocol is in place and operational. The UK Government unilaterally extended a number of key periods of grace regarding supply chain pending re-negotiation of the Protocol with the European Union. Matters of concern relating to the supply of medicines have been partially addressed by a specific EU proposal on this matter however some matters remain of concern for example medical devices. BSO PaLS will work with Department of Health and HSC colleagues to seek to minimise or mitigate and supply issues which might arise in order to prevent disruption to services because of a supply chain breakdown

13. Covid-19

BSO's Senior Management team continue to follow Departmental guidance and have developed plans for a phased return to office based working and a hybrid working pilot.

The Northern Ireland Audit Office published a report in March 2022, "Supply and procurement of Personal Protective Equipment to local healthcare providers". As the main provider of PPE to HSC, BSO continue to work with the Department of Health on the strategy for procurement, storage and supply of PPE to HSC, taking on board the learning points referenced in the NIAO report.

14. HRPTS Servers

A managed service is provided for the HR, Payroll, Travel and Subsistence System (HRPTS) for Health and Social Care NI. This service is provided from servers hosted at data centres owned by a sub-contractor of the managed service supplier. This sub-contractor went into administration on 25 March 2022. By email on 1 April 2022, the supplier providing the managed service informed BSO of the administration. The supplier informed BSO that the sub-contractor will continue to trade as normal while the Administrators are exploring options for the company's future, including re-negotiating contractual terms with its existing customers regarding power costs associated with

increasing global supply issues. The supplier has confirmed in writing that the sub-contractor is continuing to operate business as normal, as advised by the Administrator. BSO has invoked its business and technical contingency plans and set up Bronze Command. BSO has met with the Minister, Permanent Secretary, Trade Unions and all stakeholders has been informed of the situation and the contingency plans to address this issue.

BSO has taken steps to secure a copy of HSC Data and stored it within the HSC Data Centre. BSO Continues to work with the supplier on contingency arrangements while the administrators of the sub-contractor continue to seek a buyer for the company.

15. Data Breach

BSO Payroll Service Centre (PSC) process the pay, travel and expenses on behalf Health and Social Care Northern Ireland. As part of a wider investigation which is currently ongoing, we become aware of a data breach, where personal data was forwarded to a staff members personal email account. This individuals Trade Union representative has confirmed that this data has been permanently deleted from this personal email account. All appropriate steps have/will be taken in compliance with the legal requirements and to minimise impact and risks.

16. 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 2021/22.

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.

The following circulars have been received:

HSC (SE) 1/2021 – Senior Executive Pay Award 2016/2017

HSC (SE) 2/2021 – Senior Executive Pay Award 2017/2018

HSC (SE) 1/2022 – Senior Executive Pay Award 2018/2019

HSC (SE) 2/2022 – Senior Executive Pay Award 2019/2020

The 2016-17 and 2017-18 Senior Executive's pay awards were 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 2018/19 and 2019/20 will be processed in 2022/23.

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 2021-22. 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 2021-22.

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	2021-22					2020-21				
	Salary £000s	Bonus / Performance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s	Salary £000s	Bonus / Performance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s
Non-Executive Members										
Julie Erskine	25-30	-	-	-	25-30	20-25	-	-	-	20-25
Dorothy Whittington	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Jeremy Stewart (Resigned 30 November 2020)	-	-	-	-	-	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
Executive Members										
Liam McIvor	-	-	-	-	-	95-100	-	-	(8)	85-90

(Resigned 30/09/20)						Full Year 100-105				
Karen Bailey	80-85	-	-	33	115-120	75-80	-	-	63	140-145
Sam Waide (resigned 30/09/20)	-	-	-	-	-	45-50 Full Year 85- 90	-	100	8	45-50
Karen Bryson	75-80	-	-	23	100-105	75-80	-	-	20	100-105
Alphy Maginness (Resigned 31 st March 2022)	80-85	-	-	-	80-85	85-90	-	-	-	85-90
Peter Wilson (Resigned 28 th February 2022)	70-75 Full Year 85-90	-	-	-11	60-65	85-90	-	-	-2	85-90
Paula Smyth	65-70	-	116	22	100-105	65-70	-	-	13	80-85
Mark Bradley	80-85	-	-	45	125-130	70-75	-	-	34	105-110
Martin Bradley (Appointed 1 st March 2022)	5-10 Full Year 80-85			75	150-155	-	-	-	-	-

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 31/03/21 £000s	CETV at 31/03/22 £000s	Real increase in CETV £000s
Karen Bailey	2.5-5 plus lump sum of 1-2.5	30-35 plus lump sum 85-90	715	771	56
Karen Bryson	0-2.5 plus lump sum of 0-2.5	30-35 plus lump sum 80-85	679	721	42
Paula Smyth	0-2.5 plus lump sum of 0-2.5	15-20 plus lump sum 25-30	271	292	21
Peter Wilson	0-2.5 plus lump sum of 0-2.5	40-45 plus lump sum 125-130	1,020	1,043	23
Mark Bradley	2.5-5 plus lump sum of 0-2.5	25-30 plus lump sum 50-55	489	547	58
Martin Bradley	2.5-5 plus lump sum of 5-7.5	35-40 plus lump sum 75-80	611	726	115

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)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. Following application of the guidance contained in Circular FD (DoF) 04/22, the following can be reported:

Fair Pay Disclosure	Band of Highest Paid Director Remuneration	Mean Remuneration	25 th Percentile Remuneration	Median Remuneration	75 th Percentile Remuneration	Range of Staff Remuneration
2020-21	£85k - £90k	£29,696	£21,142	£24,157	£39,890	£5,621 - £87,754
2021-22	£80k - £85k	£30,653	£21,777	£27,780	£40,057	£5,805 - £90,387
2020-2021 % Change from Previous Year	-8.6%	18.8%				
2021-2022 % Change from Previous Year	-3.4%	3.2%				
2020-21 Pay Ratio			4.2	3.6	2.3	
2021-22 Pay Ratio			4.2	3.3	2.3	

STAFF REPORT

Staff Report

Staff Profile and Composition

The following table shows staff composition of permanently employed and Board Members as at 31 March 2022:

Staff Gender Breakdown	Male	Female	Total
Non-Executive	3	3	6
Senior Management	17	22	39
Administrative & Clerical	769	977	1,746
	789	1,002	1,791

Staff Numbers and Related Costs (Audited)

Staff Costs

	2022			2021
	Permanently employed staff	Others	Total	Total
	£000s	£000s	£000s	£000s
Staff costs comprise:				
Wages and salaries	53,586	8,681	62,267	56,131
Social security costs	5,369	-	5,369	4,476
Other pension costs	11,251	-	11,251	9,671
Sub-Total	70,206	8,681	78,887	70,278
Capitalised staff costs	(7,509)	-	(7,509)	(3,132)
Total staff costs reported in Statement of Comprehensive Expenditure	62,697	8,681	71,378	67,146
Less recoveries in respect of outward secondments			(914)	(1,495)
Total net costs			70,464	65,651

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. Employees who are part of the 1995 scheme are entitled to final salary based pensions whilst employees in the 2008 and 2015 schemes are eligible to receive career averaged based pensions.

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 the HSC Pension Scheme 2021-22 accounts.

Average number of persons employed (Audited)

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

	2022		2021	
	Permanently employed staff No.	Others No.	Total No.	Total No.
Administrative and clerical	1,610	182	1,792	1,699
Total average number of persons employed	1,610	182	1,792	1,699
Less average staff number relating to capitalised staff costs	161		161	94
Less average staff number in respect of outward secondments	21		21	21
Total net average number of persons employed	1,428	182	1,610	1,584

The staff numbers disclosed as 'Others' in 2021-22 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	
	2021	2022	2021	2022	2021	2022
	<£10,000	-	-	-	-	-
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	-	-	-	-	-	-
£50,000-£100,000	-	-	-	-	-	-
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
Total number of exit packages by type	-	-	-	-	-	-
	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	-	-	-	-	-	-

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 140.

Retirements due to ill health

During 2021/22 there was one early retirement from BSO agreed on the ground of ill-health. (2020-21: 4). The estimated additional pension liabilities of this ill-health retirement will be £19k (2020-21: £553k). 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 2022 was 3.47% (3.22% 2020/21) which was below the Departmental target of 4.34%.

Staff Turnover

The staff turnover for the year ended 31 March 2022 was 7.58% (7.75% 2020/21).

Staff Engagement

BSO conducted several surveys in 2021/22 to gain an understanding of the impact of Working from Home (WFH) arrangements as well as Cultural surveys.

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 newssheet "*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 2021-22 financial year.

Off Payroll Staff Resources

	Number of staff
Off Payroll staff as at 1 April 2021	-
New engagements during the year	-
Number of engagements transferred to department's payroll	-
Number of engagements that have come to an end during the year	-
Off Payroll staff as at 31 March 2022	-

ACCOUNTABILITY AND AUDIT REPORT

ACCOUNTABILITY REPORT (Audited)

Assembly Accountability Disclosure Notes

Losses statement	2022-22		2020-21
	Number of Cases	£	£
Total number of losses	8,327		6,791
Total value of losses		5,174,649	1,349,353

Individual losses	2022-22		2020-21
	Number of Cases	£	£
Cash losses	1	1,689,019	802,255
Claims abandoned	1	160	2,049
Administrative write-offs	1	3,426,125	-
Fruitless payments			-
Stores losses	8,324	59,505	545,049

Special payments	2022-22		2020-21
	Number of Cases	£	£
Total number of special payments	-	-	-
Total value of special payments	-	-	-

Special Payments over £250,000	2022-22		2020-21
	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 2022, 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 two losses greater than £250,000. One related to a contractual claim, the other to the write of stock approaching use by date that was not forecast to be used by clients. No special payments over £250,000 were made.

ii Fees and Charges (Audited)

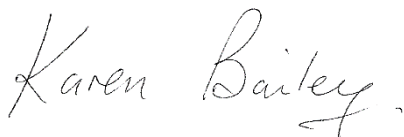
There were no other fees and charges during the year.

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

Handwritten signature of Karen Bailey in cursive script.

Date 23 June 2022

Section C

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

FOREWORD

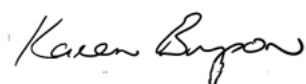
The accounts for the year ended 31 March 2022 have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FReM) and in accordance with the requirements of the Health and Social Care (Reform) Act (Northern Ireland) 2009.

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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 160 - 207) 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

23 June 2022

Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 160 - 207) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Chair

23 June 2022

Date



Chief Executive

23 June 2022

Date

BUSINESS SERVICES ORGANISATION

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

I certify that I have audited the financial statements of the Business Services Organisation for the year ended 31 March 2022 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.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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 Business Services Organisation's affairs as at 31 March 2022 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.

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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies 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 Business Services Organisation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, 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

In auditing the financial statements, I have concluded that Business Services Organisation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Business Services Organisation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Business Services Organisation is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Business Services Organisation and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

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

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- 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.

Matters on which I report by exception

In the light of the knowledge and understanding of the Business Services Organisation and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance

Report and Accountability Report. 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
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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.

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 in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Business Services Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Business Services Organisation will not continue to be provided in the future.

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 reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Business Services Organisation through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Social Care (Reform) Act (Northern Ireland) 2009 and Department of Health directions issued thereunder;
- making enquires of management and those charged with governance on Business Services Organisation's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Business Services Organisation's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, regularity of expenditure and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

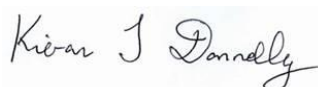
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

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.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

7 July 2022

BUSINESS SERVICES ORGANISATION

STATEMENT of COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2022

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(s)	2022 £000s	2021 £000s
Income			
Revenue from contracts with customers	4.1	230,641	259,020
Other operating income	4.2	23,385	25,662
Total operating income		254,026	284,682
Expenditure			
Staff costs	3	(71,378)	(67,146)
Purchase of goods and services	3	(159,594)	(194,583)
Depreciation, amortisation and impairment charges	3	(23,162)	(19,429)
Provision expense	3	231	(458)
Other expenditures	3	(71,113)	(64,476)
Total operating expenditure		(325,016)	(346,092)
Net Expenditure		(70,990)	(61,410)
Finance income		-	-
Finance expense		-	-
Net expenditure for the year		(70,990)	(61,410)
Revenue Resource Limit (RRL) received from DoH	22.1	71,016	61,479
Surplus against RRL		26	69
OTHER COMPREHENSIVE INCOME/(EXPENDITURE)			
	Note(s)	2022 £000s	2022 £000s
Items that will be classified to net operating costs:			
Net gain on revaluation of property, plant & equipment	5.1/8/5.2/8	145	135
Net (loss) on revaluation of intangibles	6.1/8/6.2/8	(934)	(130)
Net gain/(loss) on revaluation of financial instruments		-	-
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 2022		(71,779)	(61,405)

The notes on pages 164 - 207 form part of these accounts.

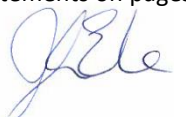
BUSINESS SERVICES ORGANISATION

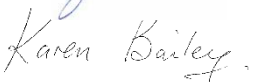
STATEMENT of FINANCIAL POSITION as at 31 March 2022

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(s)	2022 £000s	2021 £000s	2021 £000s	£000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	46,761		47,721	
Intangible assets	6.1/6.2	121,154		103,388	
Financial assets	7	-		-	
Trade and other receivables	12	-		-	
Other current assets	12	-		-	
Total Non Current Assets			167,915		151,109
Current Assets					
Assets classified as held for sale	9	-		-	
Inventories	10	161,404		170,455	
Trade and other receivables	12	32,528		37,862	
Other current assets	12	1,651		2,846	
Intangible current assets	12	-		-	
Financial assets	7	-		-	
Cash and cash equivalents	11	9,635		7,101	
Total Current Assets			205,218		218,264
Total Assets			373,133		369,373
Current Liabilities					
Trade and other payables	13	(226,904)		(240,398)	
Other liabilities	13	-		-	
Intangible current liabilities	13	-		-	
Financial liabilities	7	-		-	
Provisions	14	(29)		(534)	
Total Current Liabilities			(226,933)		(240,932)
Total assets less current liabilities			146,200		128,441
Non Current Liabilities					
Provisions	14	-		-	
Other payables > 1 yr	13	(37,508)		(41,220)	
Financial liabilities	7	-		-	
Total Non Current Liabilities			(37,508)		(41,220)
Total assets less total liabilities			108,692		87,221
Taxpayers' Equity and other reserves					
Revaluation reserve			15,155		16,129
SoCNE Reserve			93,537		71,092
Total equity			108,692		87,221

The financial statements on pages 160 - 207 were approved by the Board on and were signed on its behalf by:

Signed  (Chair) Date 23 June 2022

Signed  (Chief Executive) Date 23 June 2022

The notes on pages 164 - 207 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2022

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(s)	2022 £000s	2021 £000s
Cash flows from operating activities			
Net operating expenditure		(70,990)	(61,410)
Adjustments for non cash costs		23,093	20,002
Increase in trade and other receivables		6,529	(16,684)
<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		9,051	(161,170)
Increase/(decrease) in trade payables		(20,070)	235,645
<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		5,131	(5,611)
Movements in payables relating to the purchase of intangibles		(469)	127
Movements in payables relating to finance leases		-	-
Use of provisions	14	(274)	(403)
Net cash inflow/(outflow) from operating activities		(47,999)	10,496
Cash flows from investing activities			
Purchase of property, plant & equipment	5	(14,592)	(1,510)
Purchase of intangible assets	6	(28,152)	(67,446)
Proceeds of disposal of property, plant & equipment		4	21
Proceeds on disposal of intangibles		-	-
Proceeds on disposal of assets held for resale		-	-
Net cash outflow from investing activities		(42,740)	(68,935)
Cash flows from financing activities			
Grant in aid		93,273	65,000
Cap element of payments - finance leases and on balance sheet (SoFP) PFIs and other service concession arrangements		-	-
Net financing		93,273	65,000
Net increase in cash & cash equivalents in the period		2,532	6,561
Cash & cash equivalents at the beginning of the period	11	7,101	540
Cash & cash equivalents at the end of the period	11	9,635	7,101

The notes on pages 164 - 207 form part of these accounts.

BUSINESS SERVICES ORGANISATION

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2022

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(s)	SoCNE Reserve £000s	Revaluation Reserve £000s	Total £000s
Balance at 1 April 2020		67,370	16,427	83,797
Changes in taxpayers' equity 2020-21				
Grant from DoH		65,000	-	65,000
Other reserves movements including transfers		-	-	-
Comprehensive expenditure for the year		(61,410)	5	(61,405)
Transfer of asset ownership		-	(303)	(303)
Non cash charges – auditors' remuneration	3	132	-	132
Non cash charges – notional costs	3	-	-	-
Balance at 31 March 2021		71,092	16,129	87,221
Changes in taxpayers' equity 2021-22				
Grant from DoH		93,273	-	93,273
Other reserves movements including transfers		-	-	-
Comprehensive expenditure for the year		(70,990)	(789)	(71,779)
Transfer of asset ownership		-	(185)	(185)
Non cash charges – auditors' remuneration	3	162	-	162
Non cash charges – notional costs	3	-	-	-
Balance at 31 March 2022		93,537	15,155	108,692

BUSINESS SERVICES ORGANISATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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, inventories and certain financial assets and liabilities.

1.2 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. This includes donated assets.

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

All Property, Plant and Equipment are carried at fair value.

Fair value of Property is estimated as the latest professional valuation revised annually by reference to indices supplied by Land and Property Services.

Fair value for Plant and Equipment is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS), except for assets under construction which are carried at cost, less any impairment loss.

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS.

The last asset revaluation was carried out on 31 January 2020 by Land and Property Services (LPS) with the next review due by 31 January 2025.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use;
- Specialised buildings – depreciated replacement cost; and
- 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)

Assets 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. They are carried at cost, less any impairment loss. Assets under construction 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 an 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.

1.3 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

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.

1.4 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.

1.5 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 non-current asset. 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.

1.6 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 through appropriate marketing at a reasonable price 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.

1.7 Inventories

Inventories are valued at the lower of cost and net realisable value and are included exclusive of VAT. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks. BSO has regional agreement that it charges customers the cost purchasing inventory on a first in first out basis.

1.8 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 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 five 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 on an accruals basis 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.

Income is stated net of VAT.

1.9 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.

1.10 Investments

The BSO does not have any investments.

1.11 Research and Development expenditure

Research and development (R&D) expenditure is expensed in the year it is incurred in accordance with IAS 38. Following the introduction of the 2010 European System of Accounts (ESA10), and the change in budgeting treatment (from the revenue budget to the capital budget) of R&D expenditure, additional disclosures are included in the notes to the accounts. This treatment was implemented from 2016-17.

1.12 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.

1.13 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.

1.14 Private Finance Initiative (PFI) transactions

DoF has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The BSO therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including replacement of components; and
- c) Payment for finance (interest costs).

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within operating expenses.

PFI Asset

The PFI asset is recognised as property, plant and equipment, when it comes into use. The asset is measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the asset is measured at fair value, which is kept up to date in accordance with the BSO's approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI asset is recognised. It is measured initially at the same amount as the fair value of the PFI asset and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the BSO's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the BSO to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the BSO's Statement of Financial Position.

Other assets contributed by the BSO to the operator

Assets contributed (e.g. cash payments, surplus property) by the BSO to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available

to the BSO, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

For PFI assets funded principally by third party usage, the following alternative policies should be used:

- Where there is a unitary payment from the BSO in respect of part of the asset, the following paragraph should replace the first paragraph above for the PFI liability; and
- A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

The following policy is needed for the deferred income balance:

- Where there is also a liability;
“On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the BSO through the asset being made available to third party users.

The balance is subsequently released to operating income over the life of the concession on a straight-line basis;

- or if there is no initial liability;
“On initial recognition of the asset, an equivalent deferred income balance is recognised, representing the future service potential to be received by the BSO through the asset being made available to third party users.

The balance is subsequently released to operating income over the life of the concession on a straight-line basis:

If you have any off-Statement of Financial Position PFI, provide an accounting policy note, including the nature and business purpose of the arrangement and the financial impact on the BSO;

If you sub-lease a PFI property to another NHS body, then you will need to provide appropriate accounting policies in addition to those above; or

If you sub-lease a PFI property from another NHS body, then you should provide accounting policies based on those above, but incorporating any local changes.

1.15 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The BSO has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

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 de-recognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 requires consideration of the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the BSO'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, where judged necessary.

Financial assets are classified into the following categories:

- financial assets at fair value through Statement of Comprehensive Net Expenditure;
- held to maturity investments;
- available for sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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 in creating risk than would apply to a non-public sector body of a similar size, therefore the BSO is not exposed to the degree of financial risk faced by business entities.

There are 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 its activities. Therefore the BSO is exposed to limited 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. There is therefore low exposure to currency rate fluctuations.

Interest rate risk

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

Credit risk

Because the majority of the BSO's income comes from contracts with other public sector bodies, there is 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, there is low exposure to significant liquidity risks.

1.16 Provisions

In accordance with IAS 37, provisions are recognised when there is 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 the relevant discount rates provided by HM Treasury.

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.

1.17 Contingent liabilities/assets

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.

1.18 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 estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2022. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken 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.

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 with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be 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 scheme valuation data provided for the 2020 actuarial valuation that is currently underway will be used in the 2021-22 accounts. The 2016 valuation assumptions are retained for demographics whilst financial assumptions are updated to reflect current financial conditions and a change in financial assumption methodology. The 2016 valuation is the most recently completed valuation, since the 2020 valuation is ongoing which is why the demographics assumptions are not updated

1.19 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.

1.20 Third party assets

Assets belonging to third parties 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.

1.21 Government Grants

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

1.22 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 DoH 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.

1.23 Accounting standards that have been issued but have not yet been adopted

The International Accounting Standards Board have issued the following new standards but which are either not yet effective or adopted. Under IAS 8 there is a requirement to disclose these standards together with an assessment of their initial impact on application.

IFRS10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of interests in Other Entities:

The IASB have 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 Office of National Statistics (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 2022-23, 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.

IFRS 16 Leases:

IFRS 16 is effective from 1 April 2022 and has the effect of largely eliminating the current 'off-balance sheet' treatment of operating leases under IAS 17. A lessee is now required to recognise a "right-of-use" asset (the right to use the leased item) and a financial liability for any operating leases where the term is greater than 12 months, excluding those where the associated right-of-use asset is of low value.

The BSO has set the low value financial threshold at £5k and from the lease agreement can determine the non-cancellable periods for which the BSO has the right to use the underlying asset. One key consideration is calculating the implicit interest rate within the lease agreement.

Based on the BSO's review to date of operating leases associated with buildings, equipment and other assets there is likely to be minimal financial impact on the 22/23 financial statements

IFRS 17 Insurance Contracts:

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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 2021-22 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 2022

		Core	ITS	PaLS	Managed Services	TOTAL
	Note(s)	£000s	£000s	£000s	£000s	£000s
Staff Costs						
Wages & Salaries	3	42,254	12,466	13,784	2,874	71,378
		<u>42,254</u>	<u>12,466</u>	<u>13,784</u>	<u>2,874</u>	<u>71,378</u>
Other Expenditure						
IT Programme	3	-	12,292	-	-	12,292
SUMDE	3	-	-	-	2,420	2,420
Bursaries	3	-	-	-	16,025	16,025
Healthy Start	3	1	-	-	3,108	3,109
Regional Interpreting Services	3	-	-	-	3,664	3,664
Cost of Sales	3	-	-	158,851	-	158,851
Supplies and services - general	3	550	24	167	2	743
Establishment	3	11,759	2,011	739	142	14,651
Transport	3	54	15	1,513	50	1,632
Premises	3	1,769	733	3,023	-	5,525
Miscellaneous	3	5,202	121	164	6,146	11,633
Research & development	3	-	-	-	-	-
Depreciation	3	8,201	-	-	-	8,201
Amortisation	3	14,820	-	-	-	14,820
Impairments	3/8	141	-	-	-	141
(Profit) on disposal of assets (excluding profit on land)	3	-	-	-	-	-
Provisions provided for in year	3	(231)	-	-	-	(231)
Auditors' Remuneration	3	162	-	-	-	162
Notional costs	3	-	-	-	-	-
		<u>42,428</u>	<u>15,196</u>	<u>164,457</u>	<u>31,557</u>	<u>253,638</u>
Income						
GB/Republic of Ireland Health Authorities	4	-	-	-	-	-
Management fees from HSC Trusts	4	43,725	27,661	18,093	4,772	94,251
Sales	4	-	-	158,861	-	158,861
Donation /Government grant	4	-	-	-	-	-
Recoveries in respect of outward secondments	4	533	65	61	255	914
Research & development	4	-	-	-	-	-
		<u>44,258</u>	<u>27,726</u>	<u>177,015</u>	<u>5,027</u>	<u>254,026</u>
Net Expenditure		<u>(40,424)</u>	<u>64</u>	<u>(1,226)</u>	<u>(29,404)</u>	<u>(70,990)</u>
Revenue Resource Limit (RRL)	23	<u>40,070</u>	<u>42</u>	<u>1,500</u>	<u>29,404</u>	<u>71,016</u>
(deficit)/surplus against RRL as reported		<u>(354)</u>	<u>106</u>	<u>274</u>	<u>-</u>	<u>26</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 2021

		Core	ITS	PaLS	Managed Services	TOTAL
	Note(s)	£000s	£000s	£000s	£000s	£000s
Staff Costs						
Wages & Salaries	3	39,301	11,888	13,364	2,593	67,146
		<u>39,301</u>	<u>11,888</u>	<u>13,364</u>	<u>2,593</u>	<u>67,146</u>
Other Expenditure						
IT Programme	3	-	10,662	-	-	10,662
SUMDE	3	-	-	-	1,927	1,927
Bursaries	3	-	-	-	20,560	20,560
Healthy Start	3	-	-	-	1,575	1,575
Regional Interpreting Services	3	-	-	-	2,298	2,298
Cost of Sales	3	-	-	193,725	-	193,725
Supplies and services - general	3	663	17	168	10	858
Establishment	3	11,100	1,414	655	65	13,234
Transport	3	3	17	1,440	37	1,497
Premises	3	2,098	403	2,204	-	4,705
Miscellaneous	3	1,655	257	62	5,929	7,903
Research & development	3	-	-	-	-	-
Depreciation	3	7,888	-	-	-	7,888
Amortisation	3	11,313	-	-	-	11,313
Impairments	3/8	228	-	-	-	228
(Profit) on disposal of assets (excluding profit on land)	3	(17)	-	-	-	(17)
Provisions provided for in year	3	458	-	-	-	458
Auditors' Remuneration	3	132	-	-	-	132
Notional costs	3	-	-	-	-	-
		<u>35,521</u>	<u>12,770</u>	<u>198,254</u>	<u>32,401</u>	<u>278,946</u>
Income						
GB/Republic of Ireland Health Authorities	4	-	-	-	-	-
Management fees from HSC Trusts	4	40,574	25,157	16,683	6,155	88,569
Sales	4	-	-	194,144	-	194,144
Donation /Government grant	4	474	-	-	-	474
Recoveries in respect of outward secondments	4	856	38	210	391	1,495
Research & development	4	-	-	-	-	-
		<u>41,904</u>	<u>25,195</u>	<u>211,037</u>	<u>6,546</u>	<u>284,682</u>
Net Expenditure		<u>(32,918)</u>	<u>537</u>	<u>(581)</u>	<u>(28,448)</u>	<u>(61,410)</u>
Revenue Resource Limit (RRL)	23	<u>32,231</u>	<u>(200)</u>	<u>1,000</u>	<u>28,448</u>	<u>61,479</u>
(deficit)/surplus against RRL as reported		<u>(687)</u>	<u>337</u>	<u>419</u>	<u>-</u>	<u>69</u>

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 3 EXPENDITURE

	2022	2021
	£000s	£000s
Operating Expenses		
Staff costs ¹ :		
Wages and salaries	54,758	52,999
Social security costs	5,369	4,476
Other pension costs	11,251	9,671
IT Programme	12,292	10,662
Supplement for Undergraduate Medical and Dental Education (SUMDE)	2,420	1,927
Bursaries	16,025	20,560
Healthy Start	3,109	1,575
Regional Interpreting Services	3,664	2,298
Cost of Sales	158,851	193,725
Supplies and services – general	743	858
Establishment	14,651	13,234
Transport	1,632	1,497
Premises	5,525	4,705
Interest charges	-	-
Miscellaneous	11,633	7,903
Research & development expenditure	-	-
Non cash items		
Depreciation	8,201	7,888
Amortisation	14,820	11,313
Impairments	141	228
Profit on disposal of property, plant and equipment (including land)	-	(17)
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)	(231)	458
Cost of borrowing provisions (unwinding of discount on provisions)	-	-
Auditors' remuneration	162	132
Notional property costs	-	-
Total	325,016	346,092

During the year the BSO purchased non audit services to the value of £Nil from their auditors in relation to the National Fraud Initiative (2020/21: £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 2022.

¹ Further detailed analysis of staff costs is located in the Staff Report on page 142 within the Staff Report

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 4 INCOME

4.1 Revenue from contracts with customers

	2022	2021
	£000s	£000s
Management fees - HSC Trusts	71,780	64,876
Non-HSC:- Private patients	-	-
Sale of goods	158,861	194,144
Clients contributions	-	-
Total	230,641	259,020

4.2 Other Operating Income

	2022	2021
	£000s	£000s
Other income from non-patient services	22,471	23,693
Seconded staff	914	1,495
Charitable and other contributions to expenditure	-	-
Donations / Government Grant / Funding for non current assets	-	474
Profit on disposal of land	-	-
Interest receivable	-	-
Research and development	-	-
Total	23,385	25,662

TOTAL INCOME

254,026	284,682
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BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 5.1 Property, plant & equipment - year ended 31 March 2022

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2021	4,899	12,591	-	7,503	283	2,530	65,671	5,622	99,099
Indexation	-	84	-	-	12	65	(49)	127	239
Additions	-	-	-	6,658	-	598	2,205	-	9,461
Donations / Government grant / Lottery Funding	-	-	-	2,864	-	-	-	-	2,864
Reclassifications	-	-	-	-	-	-	(24,679)	-	(24,679)
Transfers	-	-	-	-	-	-	(194)	-	(194)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	(2,393)	-	(2,393)
Disposals	-	-	-	-	-	(35)	(472)	-	(507)
At 31 March 2022	4,899	12,675	-	17,025	295	3,158	40,089	5,749	83,890

Accumulated Depreciation

At 1 April 2021	-	1,205	-	-	229	1,270	47,330	1,344	51,378
Indexation	-	42	-	-	9	39	(35)	39	94
Reclassifications	-	-	-	-	-	-	(20,351)	-	(20,351)
Transfers	-	-	-	-	-	-	(115)	-	(115)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	(1,575)	-	(1,575)
Disposals	-	-	-	-	-	(35)	(468)	-	(503)
Provided during the year	-	366	-	-	4	312	6,979	540	8,201
At 31 March 2022	-	1,613	-	-	242	1,586	31,765	1,923	37,129

A review was performed on the classification of expenditure on the NIPACS Programme in 2021/22. This resulted in a reclassification from Information Technology to Software Licences.

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 5.1 (continued) Property, plant & equipment- year ended 31 March 2022

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Carrying Amount									
At 31 March 2022	4,899	11,062	-	17,025	53	1,572	8,324	3,826	46,761
At 31 March 2021	4,899	11,386	-	7,503	54	1,260	18,341	4,278	47,721
Asset financing									
Owned	4,899	11,062	-	17,025	53	1,572	8,324	3,826	46,761
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2022	4,899	11,062	-	17,025	53	1,572	8,324	3,826	46,761

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 (2021: £Nil)

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

	2022 £000s	2021 £000s
Donations	-	-
Government Grant	2,864	6,721
Lottery funding	-	-

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 5.2 Property, plant & equipment - year ended 31 March 2021

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2020	4,899	12,591	-	-	282	2,231	59,615	2,530	82,148
Indexation	-	-	-	-	1	-	(6)	173	168
Additions	-	-	-	2	-	508	3,692	2,919	7,121
Donations / Government grant / Lottery Funding	-	-	-	6,721	-	-	-	-	6,721
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	780	-	-	2,553	-	3,333
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(209)	(183)	-	(392)
At 31 March 2021	4,899	12,591	-	7,503	283	2,530	65,671	5,622	99,099

Accumulated Depreciation

At 1 April 2020	-	838	-	-	225	1,181	40,692	927	43,863
Indexation	-	-	-	-	-	-	(4)	37	33
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(18)	-	(18)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(209)	(179)	-	(388)
Provided during the year	-	367	-	-	4	298	6,839	380	7,888
At 31 March 2021	-	1,205	-	-	229	1,270	47,330	1,344	51,378

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 5.2 (continued) Property, plant & equipment- year ended 31 March 2021

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Carrying Amount									
At 31 March 2021	4,899	11,386	-	7,503	54	1,260	18,341	4,278	47,721
At 31 March 2020	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285

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	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285
At 31 March 2021									

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	4,899	11,753	-	-	57	1,050	18,923	1,603	38,285
At 31 March 2020									

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 6.1 Intangible assets- year ended 31 March 2022

	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 2021	75,265	94,046	-	-	-	-	-	11,683	180,994
Indexation	(771)	(1,056)	-	-	-	-	-	-	(1,827)
Additions	1,990	2,656	-	-	-	-	-	23,975	28,621
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	24,679	-	-	-	-	-	-	-	24,679
Transfers	38	593	-	-	-	-	-	(737)	(106)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	(13,157)	-	-	-	-	-	-	-	(13,157)
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2022	88,044	95,239	-	-	-	-	-	34,921	219,204
Accumulated Amortisation									
At 1 April 2021	15,780	61,826	-	-	-	-	-	-	77,606
Indexation	(160)	(733)	-	-	-	-	-	-	(893)
Reclassifications	20,351	-	-	-	-	-	-	-	20,351
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	(13,834)	-	-	-	-	-	-	-	(13,834)
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	8,470	6,350	-	-	-	-	-	-	14,820
At 31 March 2022	30,607	67,443	-	-	-	-	-	-	98,050

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 6.1 (continued) Intangible assets- year ended 31 March 2022

	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 2022	57,437	28,796	-	-	-	-	-	34,921	121,154
At 31 March 2021	59,485	32,220	-	-	-	-	-	11,683	103,388
Asset financing									
Owned	57,437	28,796	-	-	-	-	-	34,921	121,154
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2022	57,437	28,796	-	-	-	-	-	34,921	121,154

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 (2021: £Nil)

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

	2022 £000s	2021 £000s
Donations	-	-
Government Grant	-	-
Lottery funding	-	-

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 6.2 Intangible assets - year ended 31 March 2021

	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 2020	19,112	88,866	-	-	-	-	-	9,802	117,780
Indexation	(93)	(130)	-	-	-	-	-	-	(223)
Additions	56,238	4,607	-	-	-	-	-	6,474	67,319
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	8	703	-	-	-	-	-	(4,365)	(3,654)
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	(228)	(228)
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2021	75,265	94,046	-	-	-	-	-	11,683	180,994

Accumulated Amortisation

At 1 April 2020	10,118	56,268	-	-	-	-	-	-	66,386
Indexation	(11)	(82)	-	-	-	-	-	-	(93)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	5,673	5,640	-	-	-	-	-	-	11,313
At 31 March 2021	15,780	61,826	-	-	-	-	-	-	77,606

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 6.2 (continued) Intangible assets- year ended 31 March 2021

	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 2021	59,485	32,220	-	-	-	-	-	11,683	103,388
At 31 March 2020	8,994	32,598	-	-	-	-	-	9,802	51,394
Asset financing									
Owned	59,485	32,220	-	-	-	-	-	11,683	103,388
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2021	59,485	32,220	-	-	-	-	-	11,683	103,388
Asset financing									
Owned	8,994	32,598	-	-	-	-	-	9,802	51,394
Finance leased	-	-	-	-	-	-	-	-	-
On SOFP PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
Carrying Amount									
At 31 March 2020	8,994	32,598	-	-	-	-	-	9,802	51,394

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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

	2022			
	Property, Plant & Equipment £000s	Intangibles £000s	Financial assets £000s	Total £000s
Total value of impairments for the period	818	(677)	-	141
Impairments which the revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	-	-	-	-
Impairments charged to Statement of Comprehensive Net Expenditure Account	818	(677)	-	141
	2021			
	Property, Plant & Equipment £000s	Intangibles £000s	Financial assets £000s	Total £000s
Total value of impairments for the period	-	228	-	228
Impairments which the revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	-	-	-	-
Impairments charged to Statement of Comprehensive Net Expenditure Account	-	228	-	228

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

The BSO did not hold any assets classified as held for sale in 2021-22 or 2020-21

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 10 INVENTORIES

	2022 £000s	2021 £000s
Goods for resale	161,404	170,455
Total	161,404	170,455

NOTE 11 CASH AND CASH EQUIVALENTS

	2022 £000s	2021 £000s
Balance at 1 st April 2021/2020	7,101	540
Net change in cash and cash equivalents	2,534	6,561
Balance at 31st March 2022/2021	9,635	7,101

The following balances at 31 March were held at

	2022 £000s	2021 £000s
Commercial banks and cash in hand	9,635	7,101
Balance at 31st March 2022/2021	9,635	7,101

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2022	2021
	£000s	£000s
Amounts falling due within one year		
Trade receivables	24,927	31,166
Deposits and advances	-	-
VAT receivable	7,597	6,696
Other receivables – not relating to fixed assets	-	-
Other receivables – relating to property, plant and equipment	-	-
Other receivables – relating to intangibles	-	-
Trade and other receivables	32,528	37,862
Prepayments	1,651	2,846
Accrued income	-	-
Current part of PFI and other service concession arrangements prepayment	-	-
Other current assets	1,651	2,846
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	-	-
Prepayments and accrued income	-	-
Other current assets falling due after more than one year	-	-
TOTAL TRADE AND OTHER RECEIVABLES	32,528	37,862
TOTAL OTHER CURRENT ASSETS	1,651	2,846
TOTAL INTANGIBLE CURRENT ASSETS	-	-
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	34,179	40,708

The balances are net of a provision for bad debts of £766k (2020/21: £732k).

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 13 TRADE PAYABLES AND OTHER LIABILITIES

	2022 £000s	2021 £000s
Amounts falling due within one year		
Other taxation and social security	2,676	2,341
Bank overdraft	-	-
VAT payable	-	-
Trade capital payables – property, plant and equipment	-	-
Trade capital payables – intangibles	6,655	6,655
Trade revenue payables	172,978	184,104
Payroll payables	-	-
Clinical negligence payables	-	-
BSO payables	-	-
Other payables	-	-
Accruals	39,532	38,146
Accruals - relating to property, plant and equipment	1,753	6,884
Accruals - relating to intangibles	1,393	924
Deferred income	1,917	1,344
Trade and other payables	<u>226,904</u>	<u>240,398</u>
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	<u>-</u>	<u>-</u>
Total payables falling due within one year	226,904	240,398
Amounts falling due after more than one year		
Other payables, accruals and deferred income	7,668	5,377
Trade and other payables	29,840	35,843
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	<u>37,508</u>	<u>41,220</u>
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	<u><u>264,412</u></u>	<u><u>281,618</u></u>

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2022

Name	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Employer's Liability £000s	2022 £000s
Balance at 1 April 2021	-	-	-	-	534	534
Provided in year	-	-	-	-	39	39
(Provisions not required written back)	-	-	-	-	(270)	(270)
(Provisions utilised in the year)	-	-	-	-	(274)	(274)
Cost of borrowing (unwinding of discount)	-	-	-	-	-	-
At 31 March 2022	-	-	-	-	29	29

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

	2022 £000s	2021 £000s
Arising during the year	39	464
Reversed unused	(270)	(6)
Cost of borrowing (unwinding of discount)	-	-
Total charge within Operating costs	(231)	458

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2022

Analysis of expected timing of discounted flows as at 31 March 2022

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Employer's Liability £000s	2022 £000s
Not later than one year	-	-	-	-	29	29
Later than one year and not later than five years	-	-	-	-	-	-
Later than five years	-	-	-	-	-	-
At 31 March 2022	-	-	-	-	29	29

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 2022

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2021

Name	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Employer's Liability £000s	2021 £000s
Balance at 1 April 2020	53	300	-	-	126	479
Provided in year	6	50	-	-	408	464
(Provisions not required written back)	-	(6)	-	-	-	(6)
(Provisions utilised in the year)	(59)	(344)	-	-	-	(403)
Cost of borrowing (unwinding of discount)	-	-	-	-	-	-
At 31 March 2021	-	-	-	-	534	534

Analysis of expected timing of discounted flows as at 31 March 2021

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	Employer's Liability £000s	2021 £000s
Not later than one year	-	-	-	-	534	534
Later than one year and not later than five years	-	-	-	-	-	-
Later than five years	-	-	-	-	-	-
At 31 March 2021	-	-	-	-	534	534

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 2022

NOTE 15 CAPITAL COMMITMENTS

Contracted capital commitments at 31 March not otherwise included in these financial statements	2022 £000s	2021 £000s
Property, plant and equipment	103	11,572
Intangible assets	509	12,400
	<u>612</u>	<u>23,972</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

	2022 £000s	2021 £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	787	724
Later than one year but not later than five years	880	1,378
Later than five years	-	-
	<u>1,667</u>	<u>2,102</u>
Other		
Not later than 1 year	242	322
Later than 1 year and not later than 5 years	-	242
Later than 5 years	-	-
	<u>242</u>	<u>564</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 2022

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 2022 or 31 March 2021.

17.2 On balance sheet (SoFP) PFI Schemes

BSO had no commitments under PFI and other concession arrangement contracts at either 31 March 2022 or 31 March 2021.

NOTE 18 OTHER FINANCIAL COMMITMENTS

The BSO did not have any other financial commitments at either 31 March 2022 or 31 March 2021.

NOTE 19 CONTINGENT LIABILITIES

Backdated Holiday Pay

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for the 23rd and 24th June 2022 but this has subsequently been adjourned. Based on the position in the NHS in England, Scotland and Wales, an accrual at 31 March 2022 has been calculated by HSC management for the liability and is included in these accounts. However, the extent to which the liability may exceed this amount remains uncertain as the calculation has not been agreed with Trade Unions. The potential additional financial effect of this is unquantifiable at present.

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 2022 or 31 March 2021.

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 2022

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 2022

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:

	2022	2021
	Total	Total
	£000s	£000s
DoH (excludes non cash)	48,512	43,406
Other Government Department	-	-
Non cash RRL (from DoH)	23,093	20,002
Total agreed RRL	71,605	63,408
Adjust for income received re Donations/ Government Grant / Funding for non current assets	-	(474)
Adjustment for IFRIC 12	(589)	(1,455)
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	71,016	61,479

22.2 Capital Resource Limit

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

	2022	2021
	Total	Total
	£000s	£000s
Gross Capital Expenditure	40,946	81,161
Less income received re Donations/ Government Grant / Funding for non current assets	(2,864)	(7,195)
Less IFRIC 12 spend	(589)	(1,455)
(Receipts from sales of fixed assets)	(4)	(21)
Net capital expenditure	37,489	72,490
Capital Resource Limit	37,840	72,538
Overspend/(Underspend) against CRL	(351)	(48)

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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

	2022	2021
	£000s	£000s
Net Expenditure	(70,990)	(61,410)
RRL	71,016	61,479
Surplus/(Deficit) against RRL	26	69
Break Even cumulative position (opening)	1,639	1,570
Break Even cumulative position (closing)	<u>1,665</u>	<u>1,639</u>

RRL and Income

RRL	71,016	61,479
Income per note 4.1	230,641	259,020
Total for inclusion in materiality test	<u>301,657</u>	<u>320,499</u>

Materiality Test:

	2022	2021
	%	%
Break Even in year position as % of RRL and Income	0.01%	0.02%
Break Even cumulative position as % of RRL and Income	0.55%	0.51%

BUSINESS SERVICES ORGANISATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 23 EVENTS AFTER THE REPORTING PERIOD

Closure of the Health and Social Care Board (HSCB) and transfer of responsibility for their functions to the Department of Health (DoH)

The dissolution of the HSCB came into effect on 1 April 2022 following Royal Assent of the Health and Social Care Bill 2021 on 2 February 2022. On this date the functions of the HSCB transferred to the Department of Health. The former HSCB staff continue to undertake their functions, under the direction of the Department. These functions will be carried out by Strategic Planning and Performance Group (SPPG), a new group within the department, and responsibility for the SPPG's operation will rest with DoH. Business Services Organisation (BSO) will be the "host employer" of the staff transferred from HSCB.

The financial effect of this event is the transfer of assets and liabilities from the HSCB to the Department of Health and Business Services Organisation on the date of dissolution. Assets were classified as either programme assets, relating to the services provided, or staff related assets, which enable staff to carry out their duties. Programme assets transferred to the Department and staff related assets to the "host employer" BSO. Future income and expenditure will also be split between the Department and BSO following the same principles, with programme items transferring to the Department and staff related items transferring to BSO.

This event after the reporting period is indicative of a condition that arose after the end of the reporting period, and is therefore a non-adjusting event in these accounts.

In accordance with the FReM application of IFRS 3 Business Combinations under Common Control, this will be accounted for as a 'transfer by absorption' in the Department's accounts for 2022-23 with no requirement for the 2021-22 accounts to be restated.

DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 7 July 2022.

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