

NORTHERN IRELAND HEALTH AND SOCIAL CARE

BUSINESS SERVICES ORGANISATION

GOVERNANCE AND AUDIT COMMITTEE

Minute of the Governance and Audit Committee (GAC) which took place on Thursday, 30 November 2017 at 11:30am in the BSO Board Room, 2 Franklin St, Belfast BT2 8DQ|.

Present: Mr Jeremy Stewart (Chair)
Mr Mark Campbell
Mr Sean McKeever

In Attendance: Ms Wendy Thompson (Director of Finance)
Ms Catherine McKeown (Head of Internal Audit)
Ms Catherine James (NIAO)
Mr Terry O'Hanlon (DoH)
Ms Janine Watterson (Committee Secretary)
For Minutes 1-7(a) iii only Ms Maxine Paterson (Acting Head of Shared Services)

1. Apologies

An apology for absence was received from Prof D Whittington.

2. Conflicts of Interest Declaration

There were no conflicts of interest declared.

CONFIDENTIAL SECTION

3. Confidential Minute/Action Points arising out of the GAC meeting held on 17 October 2017 – GAC 61/2017 and 62/2017

Discussions regarding the minute and the action points in relation to the confidential section of the GAC meeting held on 17 October 2017 are documented separately.

NON CONFIDENTIAL SECTION

4. Minutes of the GAC meeting held on 17 October 2017 – GAC 63/2017

The GAC approved the minutes of their meeting held on 17 October 2017.

5. Action Points arising out of the GAC Minutes of 17 October 2017 – GAC 64/2017

The GAC received and noted the following updates:

- (a) Progress report on implementation of software to calculate pension earnings in GP process – Minute 4(b)

The Director of Finance advised that she had contacted the Head of Pensions to enquire whether the relevant software was now in operation to calculate pension earnings in the GP process. The Head of Pensions had advised that a fix had been activated and it was likely that this element of the payment process would be fully operational by 31 December 2017. The Head of Pensions had also advised that some manual calculations would continue, following this date, but only in exceptional circumstances.

(b) Timetable for publication of NIAO Health General Report – Minute 4(c)

Ms Catherine James (NIAO) reported that she had spoken with colleagues who advised that the NIAO Health General Report, normally published in autumn, would be issued in spring 2018. She agreed to keep the GAC informed once a specific date had been confirmed.

(c) Internal Audit KPI in relation to return of management responses – Minute 7 xiii(c)

The Director of Finance advised that she had reported GAC's concerns to SMT in relation to the late return of management responses to internal audit. The Head of Internal Audit added that her Team were piloting a new approach to expedite the completion of management responses which sought agreement of recommendations and actions at formal exit meetings. To date, one report had been trialled using this process which had resulted in this KPI being achieved.

(d) Management of HRPTS Contracts and Reputational Risk to BSO – Minute 8(b)

Feedback on this action point was deferred as the scheduled Accountability Review meeting with the DoH had been postponed. The Director of Finance agreed to report back to GAC at the next meeting.

The GAC noted that all other actions points had been completed and that a NFI report would be presented in January 2018 as planned.

6. Update on Payroll Improvement Project - GAC 65/2017

The GAC received an update on the payroll improvement project and welcomed the presentation of an initial Plan which summarised and documented progress based on the current key milestones of the project. The Acting Head of Shared Services advised that the initial Plan would continue to be developed to assist with improved reporting of the Payroll Improvement Project as required.

The Acting Head Shared Services reported that as of 30 November 2017 all deadlines had been met with a few exceptions including: overpayment information to employers, calculation of employers' superannuation and HMRC reporting on National Living Wages all of which would be completed in the near future. The Chair enquired as to whether the estimated figure for employers' superannuation remained unchanged. The Acting Head of Shared Services advised that as work was still ongoing she was not in a position to confirm but, she anticipated a small increase. In response to a question from Mr McKeever, the Director of Finance confirmed that provision had been made for employers' superannuation within the BSO's financial position.

A discussion then ensued regarding the timeframe for completion of the overall payroll improvement project. The Director of Finance advised that notwithstanding the appropriate level of focus across HSC on the Project she could not confirm that all tasks would be complete by March 2018. She highlighted that one key issue for payroll shared services is their reliance on HSC Managers to provide timely information through manager self-service on HRPTS to assist with the processing of accurate and timely payments. Further, she advised that many of the tasks set out in the initial plan were complex and there was also some uncertainty as to whether, following investigation of tasks, new issues would emerge impacting on deadlines. Mr McKeever responded advising that he understood certain deadlines may slide for plausible reasons however, he sought assurance that in these instances the GAC would be notified. The Director of Finance agreed to report back any matters of concern to the GAC.

The Director of Finance also reported that current structures within payroll were being reviewed following which consultation with trade unions would take place.

7. **Update on FPL Upgrade Failure and impact on internal audit recommendations**

The GAC received an update on the delayed FPL Upgrade which went live on 4 October 2017. The Acting Head of Shared Services advised that performance issues were still ongoing but she was hopeful these would be resolved in the near future.

The Chair enquired if the reasons for the delay in implementation related to volume. The Acting Head of Shared Services advised that the supplier did not deliver the required assurances with regard to readiness, including volume testing, which resulted in BSO delaying implementation. In response to a question from Mr McKeever, the Acting Head of Shared Services confirmed that BSO would pursue any penalty charge from the supplier which could be imposed through the contract.

The Chair requested an assurance that those internal audit recommendations which had been delayed because of the FPL upgrade were now complete. The Director of Finance agreed to report this information back at the next GAC meeting.

8. **Progress report on Unacceptable/Limited internal audit reports - GAC 66/2017**

The GAC noted a progress report on internal audit recommendations from unacceptable/limited internal audit reports.

9. **Any Other Business**

The GAC agreed that they should hold one further meeting in the 2018/19 year. A new schedule of meetings would be presented to the next meeting.

10. **Date of Next Meeting**

The date of the next meeting was confirmed as **Tuesday, 30 January 2018**.



Chair

30 January 2018

Date