



Northern Ireland
Assembly

Committee for Health, Social Services and
Public Safety

OFFICIAL REPORT (Hansard)

Payroll Issues Affecting Health Service Staff:
Business Services Organisation, South Eastern
Health and Social Care Trust and DHSSPS

4 June 2014

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Members present for all or part of the proceedings:

Ms Maeve McLaughlin (Chairperson)
Mr Roy Beggs
Mr Mickey Brady
Mrs Pam Cameron
Mr Gordon Dunne
Mr Kieran McCarthy
Mr David McIlveen
Mr Fearghal McKinney

Witnesses:

Mr David Bingham	Business Services Organisation
Ms Julie Thompson	Department of Health, Social Services and Public Safety
Mr Eamon Molloy	South Eastern Health and Social Care Trust

The Chairperson: Folks, you are very welcome. We have Julie Thompson, deputy secretary, resources and performance management; Mr David Bingham, chief executive, Business Services Organisation (BSO); and Mr Eamonn Molloy, HR director, South Eastern Health and Social Care Trust. You are very welcome. Obviously this is a hugely important issue for us all collectively. Julie, are you leading on this?

Ms Julie Thompson (Department of Health, Social Services and Public Safety): Yes.

The Chairperson: A 10-minute presentation, and then we will open it up to members' comments.

Ms Thompson: Thank you for the opportunity to provide evidence to the Committee today on the recent payroll issues experienced by HSC staff. As the Committee will be aware, all HSC trusts have introduced a new human resources, payroll, travel and subsistence system (HRPTS) over the past year. The Business Services Organisation provides payroll shared services for the Belfast Trust and the Western Trust and their regional organisations, and the remaining trusts will continue to provide their own payroll services until they transition to shared services over the next few months. Whilst the vast majority of payments to HSC staff have been made correctly over this period, unfortunately there have been problems for some staff, and we are working hard to address those difficulties. The issues can be considered in three key categories.

First, there have been issues regarding the receipt of enhancements, such as overtime and payments for unsociable hours. The payment of basic pay has been largely unaffected. Secondly, a system issue emerged at the start of the new tax year, which meant that a number of staff had additional

national insurance contributions deducted from their pay in error. Thirdly, emergency tax codes were incorrectly applied in the April pay run to a significant number of staff who have multiple employment contracts with the HSC. I will go through each of those issues in a moment.

The Minister has recently highlighted his concern to the Assembly about the difficulties. He has a clear expectation that departmental officials and trust and BSO management will work collectively to ensure that all outstanding payments are made quickly and that, on a case-by-case basis, urgent consideration is given to any losses experienced by staff arising from employer responsibilities. I can assure the Committee that we are all committed to ensuring that staff receive the correct pay. That requires individual staff, managers, payroll departments and the payroll system supplier to work together to follow the correct procedures and processes and to learn the lessons when mistakes are made.

I will now look at each of the issues in turn and update the Committee on where things are. In addressing the issues involving the enhancements to basic pay, it is important to note that the new payroll system puts an emphasis on employees and managers submitting claims for additional payments in a timely and appropriate way. The BSO and trusts continue to re-emphasise the importance of adhering to those protocols. There is also ongoing training and awareness work with managers who complete and submit time sheets.

The BSO and trusts have already implemented a range of measures. That includes running additional payment cycles to make good any underpayments, and where that does not address the problem — for example, in cases of hardship — emergency payments have also been used. In addition to that, we have approved further expert support for the HSC payroll functions over the coming months. That will provide additional resource to help with the familiarisation of the new system and help staff to develop solutions to queries. Looking forward, a range of continuous improvement measures will also be introduced to stabilise and enhance services. That will include the consideration of moving all staff to monthly payroll cycles to improve efficiency and reduce the opportunity for error.

The second issue was to do with national insurance contributions (NIC). HSC organisations have worked closely with the system supplier to identify those employees affected by incorrect national insurance contributions, and outstanding payments have been made to each member of staff. A corrective fix to the system has been applied to prevent that issue from reoccurring. As such, the issue has been resolved.

As for the application of emergency tax codes, HMRC has reviewed the tax codes for all affected staff and, where appropriate, revised the tax codes in time for the May pay run. HMRC has confirmed that some staff still remain on an emergency tax code in line with their normal business, and they are being considered on a case-by-case basis.

Finally, the importance of communication has been recognised, and steps have been taken to increase the level of payroll helpline support to deal with queries and to communicate to staff and trade union side the progress on each of those issues and the implications for employees' payslips. I pay credit to staff in the payroll departments in BSO and the trusts for all their hard work and commitment, particularly in recent weeks, to sort out the issues and ensure that staff receive the correct pay.

In closing, we accept that there have been problems with the introduction of the new payroll system and that further improvements must be made. This is a complex pay system for 70,000 staff, but each member of staff has the right to receive their correct pay, and we must all work together to make the necessary improvements.

Thank you for this opportunity. We are happy to take questions on any of the issues raised. As you say, you have also had correspondence from the Department in recent days.

The Chairperson: Thank you, Julie. First, just to clarify, the Minister's response on 28 May separated out the issues, talked about the NIC payments and said, as you reiterated there, that a "corrective fix to the system" has been applied. Is that the assurance that, in terms of NIC payments, all of that has been resolved?

Ms Thompson: Yes. Payments have been made to staff to correct the overpayment, and the corrective fix has been applied to the system to prevent that reoccurring.

The Chairperson: So, going forward, we will not see any issues in relation to NIC payments.

Ms Thompson: That is our current understanding; absolutely.

The Chairperson: There will be no issues; OK. The second issue was the tax codes and, in some cases, the incorrect tax codes, emergency tax codes, etc. The Minister has indicated that:

"HMRC has reviewed the tax codes for all affected staff (except some 16 staff at this stage) and, where appropriate, have revised the tax codes in time for the May pay run."

Can you clarify that, on two fronts? First, what does he mean by "reviewed", and what have we done to resolve it? Secondly, why have 16 staff not been reviewed?

Ms Thompson: As I understand it, from HMRC, the 16 staff were particularly complex cases. This is work that HMRC had to do in order to look at the tax codes and to ensure that they applied the right tax codes to the staff. As an employer, we cannot apply tax codes; they come from HMRC. At the time of that letter, those were 16 particularly complex cases which it had yet to review.

As the letter pointed out, and as I said earlier, that does not mean that there are not any staff with emergency tax codes. There are still some people in that position. That is a normal piece of business; maybe Eamon can comment a bit more on it. At any one point in time, there will be an element of staff on emergency tax codes, and HMRC works with those people on an individual basis to deal with the issues and to move them onto the appropriate codes as it gets clearer on facts.

As we see it, the significant numbers of staff who were experiencing the problems in April have been addressed. Some 5,000 staff had a change to their tax code applied in May, and now HMRC is effectively dealing with individual cases on a case-by-case basis. However, at any point in time, you will always have some element of staff on emergency tax codes. Would you like to add anything, Eamon?

Mr Eamon Molloy (South Eastern Health and Social Care Trust): That is the case. The added complication here was in respect of individuals who are members of staff who hold what are called multiple contracts. They may have a primary employment contract with us for their primary employment, but also work as part of our nurse bank and, on occasions, receive a contract for that. The treatment of that became tricky at the end of the tax year and moving into the new tax year. As I understand it, that was the primary reason for the difficulties around the tax code issue. At the end and start of a tax year, we always have staff who have a change in circumstances. HMRC recalculates their tax and their tax code in respect of that. There will always be a certain amount of staff with an emergency tax code for a period. Associated with that issue, we now know that the numbers are small. The number of individuals who still remain on an emergency tax code as a consequence of the multiple contract piece is in the tens; it is not in the hundreds.

The Chairperson: With respect, even 10 is too many. You are dealing with the day-to-day role that a number of these staff deliver for our health service. People are struggling. One is too many. I accept that there can be flexibilities in systems, but, first, how do you give us the assurance that the system, going forward, is guaranteed to be foolproof and that these things will not happen again? Secondly, how will the Department, in particular, deal with the very real threat from large sections of the workforce, through their trade unions, of considering industrial action?

Ms Thompson: With regard to the tax code issue, we have reached a point at which it is normal business for HMRC to continue to work with the staff on an ongoing basis. I appreciate that that may create difficulties for those individual members of staff, but HMRC has taken it through. It has looked at all of the affected staff, and it has fixed over 5,000 tax codes going into the month of May. That was done in a very short space of time, and it took a focused effort on our side and on their side to ensure that everybody had the right information to enable that to happen. The remaining emergency tax codes will be worked through on an individual basis. We cannot help with that an awful lot; it is a conversation that needs to happen between the individual and the Inland Revenue. We did a lot of work centrally with them because the issue was effectively common across all our employees, but we have now reached a point where individuals have to have that conversation with HMRC. HMRC works through that as an ongoing piece of work right the way through, as it would have done in the past on the old system. In the new system, that will continue to happen. I cannot guarantee that there will never be anybody on emergency tax codes. That applies right across the board, wherever we work. That is just the way things go with HMRC. So that, unfortunately, is where that particular issue stands.

The Chairperson: What about the issue about staff?

Ms Thompson: We are working very closely with the trade union side on the workforce issues, as we have done throughout this piece, to ensure that they understand where we are at in resolving the issues. We have also worked with them on concerns about the transition from the Belfast Trust into the shared services centre, and undertook to take mitigating steps in place around that. We worked with the trade union side to try to address some of their concerns. So, we are keeping them up to speed and liaising with staff, both through the trade unions and directly. One of the other concerns that was raised a lot was about communication. People were unable to get through to payroll departments, so more resources have gone into that. At the very start of this, it was quite complex because the people who were answering the telephone lines also needed to fix the payments. We have worked our way through that, and extra resources are now in place within the payroll departments. So we are responding to and working with the unions to deal with their concerns and ensure that we move things on, so that they are clear where we have got to in that approach.

The Chairperson: Finally, should we not have seen this coming?

Ms Thompson: I guess, when you implement any payroll system, there will be difficulties and issues as you change from one set of processes to another. Certainly, the time sheet issues — the enhancements and the basic pay — are being dealt with now. They need to be resolved, managed out and reduced as we go forward. I guess that those are what you would expect to be the normal issues as you implement a system. That does not make it any easier for anybody who has been affected by it.

The NIC issue was unexpected. We worked very quickly to get that sorted. Pay went into people's bank accounts one week later, and the fix was applied to prevent it reoccurring. The HMRC issue came, effectively, from what had happened on the HMRC side. So each of those issues has been dealt with and progressed along a journey, but I do not think it fair to say that you could implement such a complex payroll system and not experience some level of difficulty. Having said that, we need to improve, and we know we need to improve, in order to make it better for staff. That is what we are committed to.

Mr McKinney: While we are discussing this, obviously, at a strategic level, it is clear — as has already been expressed — that this is causing enormous anxiety for staff and the unions on a collective basis and for individuals, who are in the very stressful circumstances of not getting paid. I look to the scale of the problem. How much money was not paid out, and how many people did it affect?

Ms Thompson: Around 7,000 staff were affected by the NIC problem. I do not have the quantities in terms of the amounts.

Mr David Bingham (Business Services Organisation): The average was £107 per person.

Mr McKinney: That is just the NIC problem?

Ms Thompson: The NIC problem.

Mr McKinney: In total, how much money was not paid out?

Ms Thompson: I do not have that analysis. I know that the 7,000 on the NIC averaged £107. We know that 5,000 emergency tax codes had to be changed into May. We can look to see if we can get that figure for you, Fearghal, but I certainly do not have it with me. We have implemented a range of off-cycle pay runs and it would be relatively straightforward, I think, to establish the level of money going through those.

Mr McKinney: Do you have a guesstimate?

Ms Thompson: I do not have it today. I know the numbers of staff, but not the quantity, because each person is affected differently.

Mr McKinney: It would have been helpful to have that figure. Do you know how much is still outstanding?

Mr Bingham: Essentially, almost everyone who was — you are back to the three causes of the problem: national insurance, people got the money; tax code —

Mr McKinney: I understand. We had a very good explanation of that and the work you are doing. Do you have an assessment of the money still outstanding today?

Mr Bingham: I do not have a figure today. Most people got the money they were owed within three days. We can go back and get that amount. I am sure that it will run into several million pounds. It was in people's bank accounts normally within three days; sometimes five working days.

Mr McKinney: Obviously, I talked about it at a strategic level, but, clearly, all our offices are getting inundated with calls from people who, substantially after the period, are still not receiving figures in excess of £1,000. That is what we hear. Is that still the case?

Mr Bingham: We are not hearing of those amounts in those large numbers.

Mr McKinney: That is in terms of —

Mr Bingham: In the past week, for instance.

Mr McKinney: That is over and above wages. I am talking about reimbursements here.

Ms Thompson: The level of difficulty experienced was very high in April, when the NIC issue and the tax code issue hit. Since then, the problems have been at a lower level, but that does not mean that the staff are not affected; obviously it is a significant issue for them. Any underpayments are being addressed very quickly in payroll departments. It is a very fluid situation. Even if we answered that question today, the level of outstanding would be different because they are being corrected on an ongoing basis. Eamon, do you have anything to add from the South Eastern Trust's perspective?

Mr Molloy: From our perspective, it would be really important for us to find out that information. If anyone is suffering financial detriment to that level, I would be extremely concerned. We will make all efforts to get that payment back into their bank account as quickly as possible. To be absolutely upfront and honest with you, I am not hearing that level of disquiet. Believe me, I would hear it quite directly from not only the individual members of staff —

Mr McKinney: If the phone lines —

Mr Molloy: — but their trade unions. My phone would be red hot, I can guarantee.

Mr McKinney: Obviously, it has been categorised as a software problem. My understanding is that there were redundancies around payroll and that part of the problem is because of staff not trained in or not fully aware of the new process of inputting data, which gets lost on a screen. Is that true? Is that your understanding of what the problem is?

Ms Thompson: The only bit that was fully a software issue was the NIC problem. There are a lot of processes at play in the enhancements issue. This goes right across from the very start to the individual to their managers and through to the payroll departments. That all needs to work seamlessly as a process for the right pay to go out at the other end. I accept that there have been issues around people not being clear about procedures. We have put extra effort into training, awareness and looking at procedures on an ongoing basis at every step of that. It could be in the payroll departments locally in trusts, in a shared services centre or working with individual staff around what it means for them, but it takes all bits of that to work in the new way.

Mr McKinney: This is a broad question: whose fault was that?

Ms Thompson: We did put in training measures. If that has not been sufficient, we need to look at that. In the overall governance of the piece, I am sitting as senior responsible officer. I am normally here in a finance position in front of you, but, for this particular project, I am senior responsible officer. We have a range of governance procedures that go through the regional level and then right down to individual trusts. It takes every single bit of the system to work in the right way. Therefore, we need to learn lessons where people are having difficulty with particular issues. We have also put additional

support in to allow extra training to go in there. We are working, it is fair to say, both in trusts and across the BSO to try to ensure that those issues are dealt with and that people are trained effectively for the future.

Mr McKinney: For our assessment, it would be helpful to know how much money is still outstanding on that enhancement basis as well.

One final question from me. From what we are hearing, some people have been impacted to such an extent that it could potentially affect credit rating. Is there any system that you can put in place that gives guarantees so that individuals can have some reassurance that their credit rating is not negatively affected going forward?

Ms Thompson: I will ask David to talk about that in a general sense, and Eamon will give you a feel for what that looks like in a trust.

Mr Bingham: We have prepared a standard letter. If an employee has that problem, they approach their line manager who will report to HR, and there is a standard letter that the trust can send to the bank or whatever financial organisation, which sets out the background. So, we have prepared for that, and that is available.

Mr Molloy: There are very small numbers of individuals. Less than a handful have queried if the facility is available, rather than saying, "I am in difficulty with a credit reference agency", but, as Julie and David have rightly said, that facility is there should anyone experience that.

As I understand it, credit reference agencies work on the basis of defaults over a period of months rather than one or two months. From that perspective, that is probably why we are receiving low inquiries about it, but, needless to say, the facility is there if any staff wish to use it.

Mr Brady: Thanks for the presentation. Obviously, a number of the staff are involved in stressful occupations anyhow, so I am sure that this has not helped them. I attended a meeting that you were at, Julie, in Armagh about three years ago when BSO was going to change the payrolls and staff and all that. My memory is that staff expressed disquiet at what might happen because of a new system coming in. That is what we are hearing now to some degree. That was a self-fulfilling prophecy. I remember when the Civil Service Social Security Agency went live in 1993 with computerisation, and the head of Department told me that there was a phrase that they used, which was GIGO — garbage in, garbage out. That seems to be part of the difficulty in the inputting of information.

You mentioned 5,000 staff having new tax codes. Presumably, that is to do with the budget change in the personal allowance.

Ms Thompson: No, it was to do with taking them off the emergency tax codes. That gives you a feel for the scale of that particular issue.

Mr Brady: That is fine. You will always get staff on emergency codes in any occupation, but most of them would be aware because there have been major changes in circumstances and they are moving to a new job or whatever. However, in this case, it seems that emergency codes were applied and continue to be applied. That is the responsibility of HMRC. I accept that you, as employers, just implement what you are told by HMRC, but there is a difficulty in the inputting of information.

The national insurance contribution should be straightforward; it is a percentage of your income. I am not sure what the problem is, because all the records for those are kept on mainframe computers in Newcastle upon Tyne. That seems to be an additional problem that needs to be resolved, because that could reoccur.

Ms Thompson: That is why we have tried to block it into the three issues, because they are very much distinct. You are absolutely right about the tax code issue. We are now in a position where the normal emergency tax codes are in play that you get on an ongoing basis and that need to be worked through between employee and HMRC. That is where that currently sits.

The NIC issue was a system issue with changing in the tax year. We have addressed that by making good the underpayments, but, equally, we have also put in a fix to stop that happening again. That will not happen again until you get to a new tax year next year, but that fix has gone in already to stop

that particular one reoccurring. The third issue is about the inputting. That is where our focus is at the moment. The other two issues are substantively effectively resolved. Our focus, therefore, as managers right across the system is about dealing with what is causing the inputting difficulties. Is it training issues? If so, where does the difficulty lie? They are doing things differently, and absolutely there were concerns that staff raised, which were twofold. They were about new systems and about different locations and that sort of thing.

Mr Brady: I understand that.

Ms Thompson: They were both in play at that stage.

Mr Brady: Systems were one of the issues.

Ms Thompson: They were. Part of that reality of that though, Mickey, is that we had to replace the system. It was over 30 years old, and it needed to be updated. Somewhere along the line, we would have to do what we did. That does not help an individual who is experiencing difficulties, but we had to take steps to change. We are now working hard to address the problems, but we had to make this change.

Mr Brady: Do you have any redress with the system's suppliers? You have a system that is malfunctioning, as this one obviously is, and you paid millions of pounds to put it in place. The same thing is happening in Britain with the IT system for universal credit and all that, whereby they have written off millions because it is simply not working. So, do you have any redress with the system's supplier?

Ms Thompson: Where we can prove that it is a system supplier's issue, we will absolutely —

Mr Brady: It could end up in a Mexican stand-off.

Ms Thompson: It is difficult; let us just put it like that. I certainly do not want to discuss it any further here. I think that you can understand why.

Mr Brady: I am sure that you do not. It was just a question. I was just wondering whether there was any redress, whatever form it may take. The paramount issue in this case is the staff and the trauma and stress that they have been put through. A lot of them are involved in hard and stressful jobs, as is any healthcare staff member. This has just placed a bigger burden on them, and it is regrettable. Obviously, you are trying to redress it, but it just seems that, if you have a system put in place that does not work, there has to be some way of redressing it and having some comeback on it.

Ms Thompson: I completely understand that.

Mr Beggs: Thanks for coming along and for trying to give an explanation of what has happened. However, I still do not quite understand how 5,000 tax codes could be wrong. Yes, it is a new system, and things can potentially go wrong. Was that fault with the information that was supplied to HMRC, or was the fault with HMRC?

Ms Thompson: Our understanding is that our information was supplied correctly to HMRC.

Mr Beggs: There were then problems with national insurance. You said that the new system has been implemented in the Belfast Trust and the Western Trust.

Ms Thompson: Can I clarify that? The new system is in all the trusts. When I talked about the Belfast and Western trusts, I meant that they all put the new system in and are then transitioning into a shared services arrangement. So, that is the distinction. At the moment, the BSO, which David is in charge of, is dealing with the payroll for not only his organisation but the Belfast Trust and the Western Trust. Over the next few months, all the other trusts will go into that shared services centre. They are already all on the new system. That is a gradual transition that is to happen over the next few months.

Mr Beggs: Are there lessons to be learned from the piloting of this?

Ms Thompson: It is fair to say that we have certainly learned lessons about making sure that we do thorough testing. The other issue, which is related to the matter that Fearghal raised, is about training and the absolute importance of making sure that people are trained and know how to work their way through the system.

Mr Beggs: My understanding is that the system will start to be introduced from October. Is that correct? That is why I really find it quite strange to be hearing that there were still ongoing problems with inputting and overtime payments and for those on unusual contracts. If there are system issues, why has it taken six months to resolve?

Ms Thompson: The introduction to the new system has also been gradual. It started in the trusts in September, and the last trust went on in February past. So, we have been rolling out, if I may use that phrase, to trusts across those months on an ongoing basis. Once that was complete, we started the process of bringing them into the shared services environment. I guess that the scale and level of the issues that are presenting were taken to a completely different level in April because of the NIC and HMRC issues. We are working hard now to address those. I am not sure whether you want to add anything to that, David.

Mr Bingham: The system was introduced in January 2013 to the regional organisation, my organisation, the Public Health Agency, the Health Board and other organisations. There are 2,500 people employed there, as opposed to 70,000 in the trusts. We had a period when we were experiencing similar types of problems. However, we got through that by about April, and the system calmed down. As Julie said, you have a rolling programme in trusts. Perhaps Eamonn can talk about his experience at the South Eastern Trust, but what really has disrupted that pattern of getting back to normality is the NIC issue. More than 7,000 people, which is one in 10 of our workforce, had a significant deduction. When that hit us, we were as surprised as they were.

Mr Beggs: There will always be some mistakes made in payroll. There will be human error on the part of an individual somewhere. When do you think that we will be over the system problems, whether that involves the role of the supervisors or software faults? When do you see this settling down into a normal system? How soon can people expect to have a much more reliable payroll?

Ms Thompson: I think that that is a very difficult question to answer. We want to see that trend of improvement coming through. We are looking at where the issues are presenting and are ensuring that we are dealing with them. You are absolutely right to say that, at any one point in time, we cannot guarantee that you would have all 70,000 people paid completely correctly. Even in the old system, there would always have been an element of payroll dispute, if I can call it that. However, we need to bring it down to a lower level, and we are committed to doing that. Given that May was so taken up with fixing the April position, we are only now, in June, working through what you might call a normal month. I will want to see a normal month working through to see how quick and how good we are getting, and I guess that that will be the proof of the pudding. A lot of what happened in May involved payroll staff using a lot of energy to deal with the NIC and the tax issue. Therefore, I will want to see June running through, and I hope that we will be in a much more stable position than we were pre-April. So, that is the journey that we are on, and it might be easier to give you an answer on how far we are now from where we want to be.

Mr Beggs: Do you feel that there is adequate support for your payroll staff, who have been in an invidious position where, no doubt, they have been getting other, irate employees talking down the phone to them? Are you satisfied that you are giving them enough support? It is not their fault; they are doing their job.

Ms Thompson: It has been a bit difficult for everybody. You are absolutely right to say that there have been challenges with those phone lines. The additional support has gone in to the phone lines so that, at least, that element provides additional support to those payroll departments in order that they can concentrate on fixing and addressing the queries. However, it would be wrong to say that payroll departments are completely stable at this time. Part of that conversation is about what support and training they need and what more we need to put in there. I guess we need to take a bit of a breath back from the difficulties that we were experiencing in May and move it on.

Mr Dunne: Can you clarify again the numbers of people who are on the system? You talked about the Belfast Trust and the Western Trust.

Ms Thompson: Every single employee, all 70,000-odd, is on the new system. The difference is that Belfast Trust and the Western Trust are being processed via the BSO, effectively, while the others, for example Eamon's trust — the South Eastern Trust — are being processed by themselves. That is the only distinction. Everybody is on the new system. They all went on gradually over last autumn, spring and winter.

Mr Dunne: You said that, of that number, about 7,000 had problems.

Ms Thompson: Seven thousand had problems on the NIC issue, and that created significant problems for staff. Those payments were corrected within one week of the problem being identified. Whilst that was, obviously, very, very concerning for staff at the time —

Mr Dunne: Did you say 7,000?

Ms Thompson: Yes, 7,000 —

Mr Dunne: Were 7,000 addressed in one week?

Ms Thompson: Absolutely. Seven thousand were addressed in one week. The tax issue took a month to sort out because it required another month's pay run to be run through, and that affected 5,000 people.

The other message that we would like to give is that, if there are members of staff who are experiencing difficulties, they need to speak to their line manager or to the payroll departments and get their queries resolved. We can fix only what we know about, and we really encourage people, if they have concerns, to work through and to make sure that we can take the necessary steps to get them fixed. Having said that, we are also getting a lot of calls from people who, understandably, are not sure whether they are getting paid the right amount, and you can understand how that happens too. We need to reassure staff and get confidence back about the pay being there.

Mr Dunne: You are saying that they are fixed, but people obviously have not got their money and will have to wait until the end of the month.

Ms Thompson: We can do what is called off-cycle pay runs, and we are using those on an ongoing basis. Where a problem is identified, off-cycle payment runs are applied very quickly, and pay goes in three or four days after the issue has been identified. So, that is why it is important that we understand, particularly with some of the big numbers that have been talked about, who those people are and that we get their problem fixed.

Mr Dunne: Obviously, there was a transfer of data from one software system to the other. Is that where the failure was?

Mr Molloy: Absolutely not. We spent months at trust level making sure that the data in our old legacy system were cleansed to the absolute nth degree. We did not transfer any data until they passed sufficient tests to show that they were 100% clean. Data transfer is obviously a fundamental piece of any information system. We took a lot of time over that to make absolutely sure that it was right so that, primarily, there could not be any comeback on the basis of the data not being clean and therefore creating errors. So, we eliminated that very early on.

Mr Dunne: So, does that mean that the failure really was in the system?

Ms Thompson: There was a threefold failure, I guess. There was one in the system, which was to do with the NIC; there was the HMRC issue to do with the tax codes; and the final issue, which was across everybody, was about the payment of enhancements. This is about us getting our processes in order, and that is what we need to fix now. Work is ongoing now to get that sorted.

Mr Molloy: The system itself is really good, but I know that it is difficult to understand that. The system that we currently have is over 30 years old. I am, unfortunately, old enough to remember the introduction of the legacy system 30-odd years.

Mr Beggs: Did it have an arm on the side of it?

Mr Molloy: It had a starting handle — yes, you are right. That is what we are talking about. We are talking about old green screens that did not have enough power to run the first bit of a start process in a normal computer. As Julie rightly says, it was well overdue. It is a good system. We are getting through these issues, and the picture is an improving one. So, the issue that we had with enhancements and the issues around that have largely been dealt with.

Mr Dunne: Was the method for reporting that changed? Was part of it that people maybe did not pick up on that? There is always this issue of staff not being available or not being made aware because they are on the sick or because they work nights or different hours and so on. Those people were maybe not informed or advised, or they were maybe not trained.

Ms Thompson: Work was ongoing to ensure that people were trained and knew what to do. So, I can assure you of that.

The issue is more about the fact that, where data are input incorrectly at whatever stage in the system, you will end up with the wrong answer coming out the other end. We need to understand why that is happening and tighten the controls and the checks and balances. We are doing a lot more checks and run-throughs to ensure that things are being corrected before something happens. We are making sure that we understand where information is coming from and that it is all flowing through the system correctly. That effectively involves almost every member of staff working in the new way with us, which is a challenge. There is no doubt that it is a challenge.

Mr Dunne: So, are you confident and can you assure us that the system is fit for purpose?

Ms Thompson: The system is fit for purpose. What we need to do is get the processes and everybody working to get the input in the right way.

Mr Molloy: On Mr Brady's analogy of GIGO, I think that it is really important that the bits — there are a lot of moving bits and parts in a health service payroll — that we have control over are done in a very timely way, particularly making sure that time sheets are properly completed and filled in correctly and that enhancements are filled in properly and in a timely way.

The system itself is very sensitive. So, if it picks up an error, it will spin that error back out to us very quickly so that we can rectify it and get it back in again. However, we want to try to get to the stage where we eliminate that aspect. So, the training that has gone on has been enormous, but it has not stopped there. A lot of work is going on in the background so that, as errors or issues arise, we know the root cause. So, people go through what happened systematically and identify the system supplier, the primary cause and how we fix it.

So, they are looking at end-to-end processes and at how uploads and roster systems work and are making sure that all those things work seamlessly, as Julie said.

Mr Dunne: Are you putting in place systems to ensure that there is not a recurrence?

Mr Molloy: Absolutely. Primarily, we want to learn from the experience.

Mr Dunne: You want to close it out.

Mr McKinney: I have just one final point. How can you reassure us that valuable nurses and staff are not now involved in administrative work of this nature, which will hold up the front line duties that they are supposed to be doing?

Ms Thompson: We appreciate that staff who have had issues have been trying to get through to payroll lines and that sort of thing, which is a distraction from their job. That has been difficult for them to do, particularly if they are on shifts.

First, the more we can get the pay right, the more we can minimise those difficulties. We are looking at how time sheets can be done efficiently in the first place. There are also checks and balances in there to make sure that they are stopped early in the process rather than going through.

There is a self-service element to the system, whereby people can update their bank details and look at annual leave and that sort of thing. That modern technology effectively keeps all the systems

moving. We have actually run pilots in the Western Trust and Belfast Trust to see what that means on the wards and for people who are in front line service and, if there are issues there, how we deal with them. So, we have actually put in some positive steps to understand that more. I would not say that we have all the answers to that yet, but we are certainly trying to understand it to make sure that what is put in place is manageable at the front line, because it is very important that it is.

Mr Brady: This is, I suppose, a general question. When you invest in a system, do you do much research on or analysis of how effective that system might be? There are lessons from the past. I previously mentioned that, when the Social Security Agency went live, it went £55 million over budget, and it still did not work. It was the biggest computerisation since, I think, the NASA space programme, and it did not get that right. There are lessons to be learned. So, I am just wondering whether much analysis or research is done. Do you look at one or two system suppliers and then come up with the best solution for your need?

Ms Thompson: A huge amount of effort is put into procurement. We specified what we required and put that out to the marketplace to understand which suppliers could meet our requirement. It involved, which it had to, a huge investment of time to make sure that the system that we ultimately got was able to do the job that we needed it to do in a very complex environment. We combined that with our experiences. So, it is not just about buying; it is about learning about how you implement that, and that has been ongoing as well.

Mr Brady: There was a huge investment of money as well.

Ms Thompson: Absolutely.

Mr Brady: You obviously considered that.

The Chairperson: OK, folks. Thank you for that update. Obviously, the Committee will track and monitor this carefully. We take the assurances that we heard today. There are clearly lessons to be learned. There has been an awful lot of hardship for people, so we will watch the next steps carefully. Thank you for taking the time to come here.