

Agency Staff Management

Final Internal Audit Report

June 2024

Swansea Bay University Health Board



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Auditors:	Osian Lloyd, Head of Internal Audit; Felicity Quance, Deputy Head of Internal Audit; Ross Hughes, Principal Auditor
Executive sign-off:	Sarah Jenkins, Interim Director of Workforce & OD
Distribution:	Emma Owen, Head of Workforce Effectiveness and Analytics
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NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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Executive Summary

Report Classification

 <p>Reasonable</p>	<p>Some matters require management attention in control design or compliance.</p> <p>Low to moderate impact on residual risk exposure until resolved.</p>	<p>Trend</p>  <p>2015/16</p>
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Assurance summary ¹

Assurance objectives	Assurance
1 Policies and procedures	Limited
2 Management process	Reasonable
3 Procurement approval	Limited
4 Pre-employment verification checks and	Reasonable
5 Timesheet and invoice authorisation	Reasonable
6 Reporting and oversight	Reasonable

Purpose

To review the governance arrangements in place for the engagement and control of agency staff (both medical and non-medical); and to ensure that appropriate financial controls are in operation to manage within the expected workforce establishment.

Overview

We have issued reasonable assurance on this area. The matters requiring management attention include:

- Absence of a formally approved policy for the management of both medical and non-medical agency staff.
- Breach of Standing Orders and the Public Contract Regulations 2015 through the use of non-framework agencies.
- Lack of appropriate evidence to support the formal authorisation for approval of agency staff.
- Consideration of the recommendations raised through the work undertaken by the Counter Fraud team on agency workers including pre-employment checks, overlap of shifts and completion of staff inductions at ward level.
- Enhancements to reporting of agency cost/usage.

Key matters arising

Key matters arising	Assurance Objectives	Control Design or Operation	Recommendation Priority
1 Policies and procedures	1	Operation	Medium
2 Procurement of Non-Framework Agency	3,5	Operation	Medium
3 Authorisation of agency workers	3	Operation	High
4 Pre-Employment Checks	4	Operation	Medium
5 Overlap of shifts	4	Operation	Medium
6 Completion of Agency Staff Induction	4	Operation	Medium
7 Reporting of Agency Cost/Usage	6	Operation	Medium

¹ The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

- 1.1 The term "Agency Staff" is used to describe those persons provided by specialist companies ("Agencies") who undertake work for the Swansea Bay University Health Board (the health board), often on a temporary basis, but with whom the health board has no direct contract of employment; instead, they are paid by their host Agency which, in turn, invoices the health board for their services provided.
- 1.2 From time to time, departments may need to engage temporary staff to cover unexpected absences, accommodate fluctuations in activity above normal service requirements, or cover planned but unpaid leave. Whilst temporary staff may be recruited and employed directly by the health board, circumstances such as the sudden unplanned absence of permanent staff can require a more immediate response which may prompt managers to engage temporary staff through an external employment agency. Whilst this addresses needs, it can bring additional financial costs and some risk to the quality & safety of services if not managed effectively.
- 1.3 All NHS organisations rely on a level of temporary staff resources in order to maintain service continuity. The inherent nature of providing health services, with variations in demand, capacity and workforce availability dictate that such expenditure is unavoidable. Like all other health boards, the organisation is working towards minimising the use of agency workers, which is an all-Wales expectation. This is to ensure there is a consistent substantive workforce providing safe, effective and efficient care to the local population.
- 1.4 Agency staffing should be a last resort once all other avenues have been explored, and 'on contract' (framework) agencies must be approached prior to using any 'off contract' (non-framework) arrangements.
- 1.5 The 2022/23 Annual Accounts report total agency staff costs of £40.3m, with average agency staff usage of just over 3% of total staff during the year, the highest usage relating to nursing and midwifery staff at 7%. In addition, risk areas relating to the non-compliance with the Nurse Staffing Act, risk of failure to recruit medical and dental staff and critical staffing levels within midwifery have been escalated onto the Health Board Risk Register.
- 1.6 The potential risks considered in the review were as follows:
 - Non-compliance with Health Board policies and procedures;
 - Insufficient staffing levels, due to inadequate planning;
 - Increased workforce financial costs;
 - Insufficient workforce planning leading to decreased staff morale and attendance; and
 - Lack of oversight and action taken to minimise the use of agency staff.

2. Detailed Audit Findings

2.1 The table below summarises the recommendations raised by priority rating:

	Recommendation Priority			Total
	High	Medium	Low	
Control Design	-	-	-	-
Operating Effectiveness	1	6	1	8
Total	1	6	1	8

2.2 Our detailed audit findings are set out below. All matters arising and the related recommendations and management actions are detailed in [Appendix A](#).

Objective 1: The health board has appropriate policies and procedures in place setting out the use of both medical and non-medical agency staff at both corporate and Service Group level.

2.3 During the review, we failed to identify an agency management specific policy or procedure. There is, however, a Nursing and Midwifery Rostering Policy (Policy ID: HB70) in place and we note that Appendix 2 to this document is a 'Temporary Nurse Staffing Decision Checklist' which is to be followed when unfilled duties arise due to short term absence.

2.4 During an Internal Audit review undertaken into Temporary Staffing within the health board in January 2016 (Limited Assurance, issued March 2016), it identified that the policy was limited in its information for the use of temporary staff and did not outline:

- The roles and responsibilities of the users of the process such as Ward Manager, Lead Nurses, Heads of Nursing and Nurse Bank.
- Advance/retrospective approval of bank and agency.
- Expected time and attendance controls for bank/agency staff.
- Ward Induction requirements.
- Any pre-engagement check requirements for 'off-contract' suppliers.
- Reporting and Monitoring requirements.
- Ward record management requirements for timesheets; and
- Invoice Certification requirements.

2.5 Our review of the available version of the policy (issued in April 2017, revised in December 2019) failed to identify that the points highlighted above have been clarified. Further, a recent Internal Audit review into Nurse Rostering (Reasonable Assurance, issued May 2023) identified that the Nurse and Midwifery policy was due for review in December 2022, citing that the policy was issued prior to the

health board rolling out e-rostering, therefore did not reflect current practices. The health board's response to the recommendation stated that they '*acknowledge that the policy is out of date but also recognise with more workforce moving onto rosters (including medical and therapies) there is a need for a multi-disciplinary policy to be developed.*' A target date of 31st October 2023 was set for implementation, however from review of the health board's internal audit recommendation tracker, we note that the review of the policy remains ongoing. See **Matter Arising 1**

- 2.6 For non-medical agency workers, no formal documentation on the appointment, roles and responsibilities and management was identified during the review. See **Matter Arising 1**

Conclusion:

- 2.7 The Nurse & Midwifery Rostering policy makes reference to the appointment of temporary staff; however, it was identified that a number of gaps remain within the policy that were previously highlighted in the 2015/16 Temporary staffing Internal Audit report. It was also noted that the health board has not met its October 2023 target set within the Nurse Rostering Internal Audit report for reviewing and re-issuing the policy on a multi-disciplinary basis. Further, there was no documentation identified for the management of non-medical agency workers within the health board. We therefore assign **limited** assurance to this objective.

Objective 2: Management processes are in place at both corporate and Service Group level, that minimises the use of agency staff and those processes are adhered too.

- 2.8 The health board established a Central Resourcing Team in 2021 which has focused on supporting areas of high-volume recruitment needs where vacancies lead to bank, agency and overtime costs.
- 2.9 A review of total agency spend in the health board for 2022/23 and 2023/24 identified that nurse agency cover was the biggest contributor to agency expenditure. The health board's agency spend for 2023/24, as of December 2023, totalled £24,681,457.87, with the majority attributed to the following:
- Morriston Service Group (£12,834,523)
 - Neath Port Talbot / Singleton Service Group (£5,602,328)
 - Mental Health & Learning Disabilities Service Group (£4,666,422)
- 2.10 The Nurse Rostering Policy sets out the process to be followed by Service Groups to ensure rosters are at a safe level and that agency usage is kept to a minimum:
- Nurse in Charge / Ward Sister create rosters on the rostering system (Health Roster), identify any vacant shifts, and ascertain how many of those shifts are essential for the safe running of the area.
 - Nurse in Charge / Ward Sister consider internal options such as assigning overtime, requesting staff to reschedule leave or time owing and deployment of staff from other wards / departments.

- If the above options are unsuccessful, additional hours are offered to part-time staff. However, it is noted that this is not financially attractive to the part-time employees as they need to work an average of 37.5 hours per week before overtime rates apply.
- Shifts will then be made available to the Nurse Bank Team to offer to the bank pool within the health board.
- Once the above options have been exhausted, the Nurse Bank Team makes the shift available for agency cover, prioritising 'on-contract' suppliers. If the shift cannot be filled by these suppliers, premium rate 'off-contract' agencies are offered by the bank team to cover the vacancy.

- 2.11 The Nurse Rostering Internal Audit report (see para 2.4) identified that staff are grouped on the Health Roster system as registered nurses, health care support workers and bank and agency staff. A review of the sampled rosters during this audit highlighted that bank and agency staff would only be used after other internal options of cover have been investigated.
- 2.12 We were informed by the Nurse Bank Team that bank shifts should be requested 4-6 weeks ahead for expected gaps such as long-term sickness or vacancies, and shifts are not made available to agencies more than two weeks in advance. If a person returns from sickness absence the bank or agency booking is cancelled, and bank staff will always be booked in place of agency if they become available subsequently. Shifts escalated to bank/agency at short notice before the shift are simultaneously available to bank staff and framework agencies, so there is a risk that these shifts are filled by agency before bank.
- 2.13 To ensure the health board receives value for money when acquiring the services of agency staff, the Bank Team prioritise acquiring cover from the agreed National Framework via the Crown Commercial Services (CCS) (Provision of Clinical and Healthcare Staffing Framework - RM6161) There are currently 393 approved suppliers for this contract ('on-contract') for which fixed hourly rates have been applied for each shift type and by registered and non-registered staff.
- 2.14 Those agencies not signed onto the All-Wales contract are referred to as 'off-contract' and have their own set hourly rates that exceed the 'on-contract' suppliers. There is also a CCS framework in place for the acquisition of 'non-clinical staffing' (RM6277), which includes, but not limited to, administration, clerical, IT, finance, catering, cleaning and maintenance.
- 2.15 As highlighted within **audit objective 6**, continued reliance on agency is highlighted as a key driver of staffing cost pressures within the health board, and there are opportunities to further explore the functionality within the Health Roster system to enable more formal real-time reporting and analysis of bank and agency (including contract and off contract) use. **See Matter Arising 7**

Conclusion:

- 2.16 Processes for prioritisation of resource and escalation to bank and agency are designed to ensure effective use of resources. The health board established a Central Resourcing Team in 2021 which has focused on supporting areas of high-

volume recruitment needs where vacancies lead to bank, agency and overtime costs. Continued reliance on agency is regularly highlighted as a key driver of staffing cost pressures within the health board, therefore **reasonable** assurance has been assigned to this objective.

Objective 3: Agency staff are procured and approved in accordance with standing orders.

- 2.17 Framework agreements for supplying agency nurses have been in place since 2006 and avoid the need for each NHS Wales organisation to conduct a procurement exercise before engaging agency staff. The current All Wales Agency Framework Contract came into effect in April 2017 and introduced capped hourly rates of pay to nursing agencies.
- 2.18 Non-framework agencies charge higher open market rates and should be used as a last resort when shifts cannot be filled by bank or framework agency staff. Rostering and escalation processes built into the Health Roster system prioritise framework over non-framework agencies by default. It therefore follows that the majority of agency use is compliant via the framework agreement. However, the health board does use a non-framework supplier to fill shifts where necessary.
- 2.19 Whilst recognising that non-framework agency use may be unavoidable to protect patient safety, it would not be appropriate to enter a formal contract with this agency – instead the health board should focus on reducing non-framework agency use through ongoing recruitment. In the meantime, this spend is non-compliant with Standing Orders and the Public Contract Regulations 2015 and should be highlighted to the Board. See **Matter Arising 2**
- 2.20 As per para 2.3, whilst there is no specific policy or procedure documenting the requirements for authorising use of agency staff, the process undertaken by nursing is outlined in para 2.10. Appendix 2 of the Nurse Rostering Policy also outlines the escalation process to Nurse Bank and subsequently to agency:
- Matron or appropriate person to approve shift and send to the Nurse Bank Team via Health Roster - shift will be made available to Bank and Contract Agency.
 - If after all options for covering shift with a Band 5 have been exhausted the shift may be offered via the Nurse Bank Team to Band 6/7.
 - If the shift remains unfilled – Unit Nurse Director or designated deputy to seek approval from the Executive on-call.
- 2.21 For a sample of 25 shifts covered by agency staff (as per 2.12), we have sought to confirm whether appropriate approval had been received prior to use. 22 of these shifts were in relation to medical cover, with the remaining three shifts were for finance staff. The following was noted in relation to the medical cover shifts:
- three shifts were in relation to specialist cover (theatres) and were not managed by the Nurse Bank Team. We have not been provided with evidence to demonstrate that these were appropriately authorised;

- two additional shifts related to Children and Adolescent Mental Health Services (CAMHS) that had been transferred over from Cwm Taf Morgannwg UHB in April 2023, which had already been agreed prior to transfer;
- The remaining 17 shifts were managed by the Nurse Bank Team:
 - nine shifts had written authorisation from an appropriate officer; however, two of these nine shifts were fulfilled by an 'off-contract' agency with the request being made for a month in advance. There was a lack of documentation to demonstrate approval of on-going usage of the agency and the rates applied **See Matter Arising 2**;
 - we were informed that four shifts were approved via a 'Teams' meeting, with no documentational evidence available (see **Matter Arising 3**); and
 - there was a lack of documentation to demonstrate approval to procure agency staff for the four remaining shifts (see **Matter Arising 3**).

2.22 The three finance shifts had approval prior to being issued out to agency, and were procured through the CCS framework.

Conclusion:

2.23 Rostering and escalation processes are designed to ensure that non-framework agencies are used as a last resort, with appropriate approval mechanisms in place where circumstances require. The majority of agency resource is sourced from framework agencies however, we have noted spend with a non-framework agency which is non-compliant with the Public Contract Regulations. Authorisation is required prior to being issued for agency cover; however, our testing identified a number of instances where appropriate authorisation of agency staff could not be evidenced. Therefore, we assign **limited** assurance.

Objective 4: The health board obtains assurances from agency suppliers to confirm that agency staff are subject to appropriate pre-employment checks, and undertakes its own specific verification checks upon the arrival of agency staff for work.

2.24 Under the All-Wales NHS Shared Services Partnership Agreement, there is a Contract Service Specification in place for the supply of registered agency nurses, midwives and health visitors, healthcare assistants and operating department practitioners to the health board and trusts in Wales.

2.25 As part of the contract a number of checks in relation to pre-employment checks are expected to be undertaken by the supplying agency, including:

- staff have relevant skills, training and experience;
- registered nurses are fit for practice, including appropriate revalidation when required;
- to verify the personal identification of the agency worker;

- the supplier must also view and maintain a copy of the Agency work permit, immigration status and eligibility to work from the Home Office.
- enhanced disclosure checks must be undertaken and maintained by the supplier.

- 2.26 In January 2021, the health board's Local Counter Fraud Services undertook an exercise to ascertain the validity of require pre-employment checks completed within the health board and by agency suppliers. The report identified risks in this respect and the health board agreed to undertake bi-annual checks against a sample of agency worker changes provided by the suppliers as an internal assurance measure. Whilst we have not been able to evidence that such checks are being undertaken by the health board, compliance with the requirements of the specification has been undertaken at a national level (covering a sample of the agencies with the largest usage). Eight agencies have been reviewed since April 2023, four of which were included in our sample (covering seven of the 25 shifts reviewed). However, there is no evidence of reporting of the outcome of the national exercise within the health board. See **Matter Arising 4**.
- 2.27 The Local Counter Fraud Team have also recently conducted an exercise in March 2024 to explore the current procedure around engaging and managing agency workers, following examples of fraud cases nationally where people have tried to impersonate a medical practitioner to cover their shift. The exercise involved a data matching exercise where shifts over a 6-month period were analysed to identify instances where there was an overlap of shift dates and times for the same individual, across different health boards or within the same health board.
- 2.28 This data matching exercise identified 316 shifts in the context of the health board: 214 identified as overlapping with other health boards and 92 as overlapping within the health board itself. Whilst the report highlighted there is not enough evidence to suggest that all of the shifts identified are a result of fraudulent activity, it identified a lack of control in place at health board level which allows the sharing of an agency workers data, specifically prior to the date of a shift to prevent booking of overlapping shifts by the same agency worker. See **Matter Arising 5**
- 2.29 The Team also attended all three acute sites (Singleton, Neath Port Talbot and Murrison) to undertake ward visits to ascertain if the Ward Manager / Senior Nurses were following the required checks:
- ID check on arrival to Ward;
 - Confirm name on ID and HealthRoster match, noting that HealthRoster also has a profile picture of the individual available;
 - Induction of the Ward undertaken for agency workers new to the Ward.
- Noting the scope of work undertaken by this team, we have not sought to re-perform the site visits at this audit.
- 2.30 From the ward visits the following information was reported on ID checking at ward level:
-

- *All wards visited used Health Roster system to secure agency staff bookings; but it was noted that 2 of the wards visited confirmed they would also approach known reliable agency workers direct to notify them that shifts were available in order to try and book specific staff.*
- *Whilst staff would notify known agency staff of availability of shifts the majority of wards confirmed that those shifts were not booked directly but were booked and managed through Health Roster. One ward however confirmed that they have booked agency staff direct to cover sickness at short notice.*
- *All wards visited checked the ID badges upon arrival of agency staff and verified the name on the ID to the name on Health Roster.*
- *It was noted that if the agency staff member was known and a regular to the ward the ID badge would not be presented or checked.*
- *All wards used a sign in book to record all staff (substantive, bank and agency) signing in for attendance on a shift.*
- *Inductions are being carried out on all wards as per the Contract Specification but are not necessarily being recorded on Staff Induction form. All wards confirmed that the induction or walk around process would only be carried out for new Agency Staff or if the agency worker was not known to the ward staff. See **Matter Arising 6***

Conclusion:

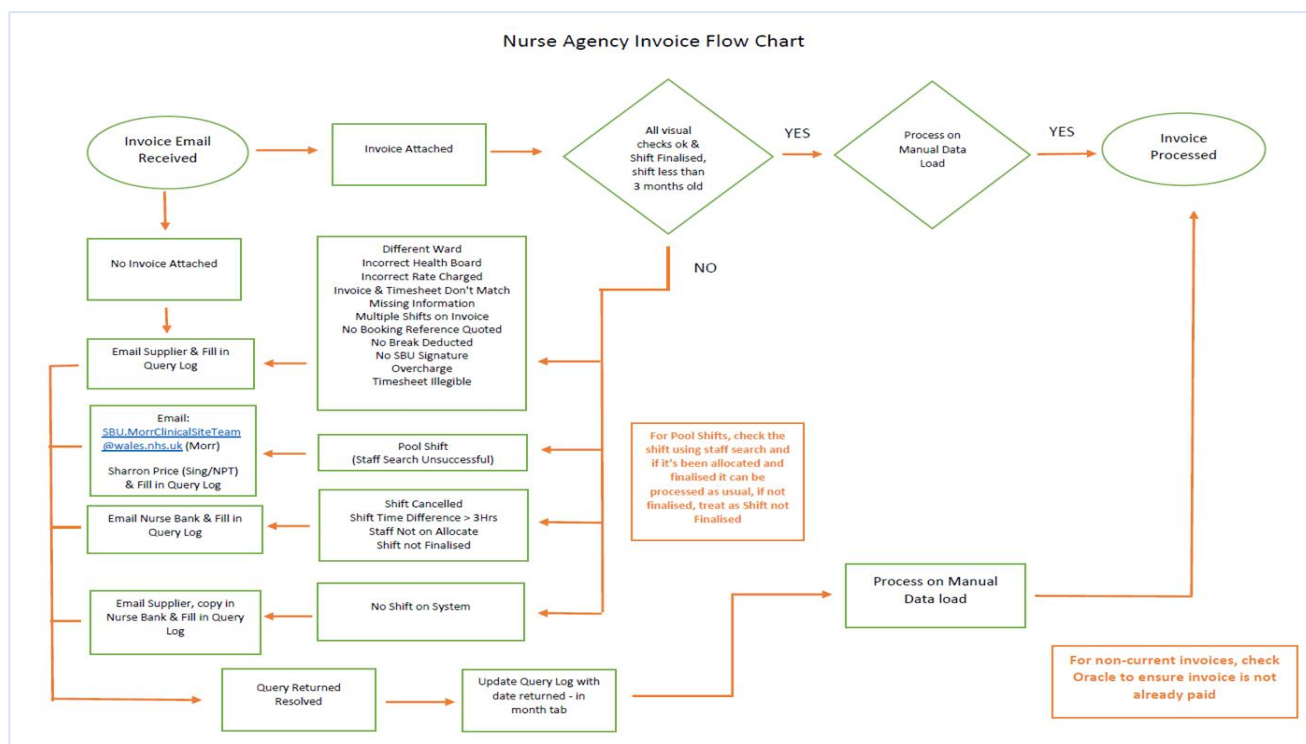
2.31 Pre-employment checks are expected to be completed by the supplying agency, although assurance measures are not in place within the health board to confirm that these are being undertaken. We are aware that compliance work has been undertaken at a national level, but not evidenced such being reported within the health board. We have placed reliance on the recent work undertaken by the Local Counter Fraud Team, and whilst this provides assurance that appropriate verification checks are being completed by the health board, opportunities have been identified to further strengthen the arrangements in place. These include recording that staff induction has been provided and to introduce mechanisms to prevent the booking of overlapping shifts by the same agency worker. We therefore assign **reasonable** assurance to this objective.

Objective 5: Timesheets and invoices are appropriately authorised prior to being submitted and paid.

2.32 Agency staff are required to submit a timesheet at the end of each shift, detailing the time and date of the shift and including any breaks taken. Each shift requires sign off from an appropriate health board employee (Ward Manager, Sister, Nurse in Charge) for confirmation of hours worked. It was noted that each agency has its own timesheets in place, with no set template within the health board.

2.33 The March 2024 Counter Fraud report highlighted the following:

- *At the end of the shift all wards confirmed that agency staff were required to submit their timesheets to the Ward Sister/Nurse in Charge for sign off.*
- *For the purposes of finalisation of the shift, to enable payment, and to have assurance of attendance, hours worked and agency worker completion of the shift, all wards use the details recorded in the sign in book to finalise.*
- *If there is a difference in hours for example if an agency nurse turned up late or left early, then Health Roster would be updated immediately or as soon as possible during the shift to reflect this.*
- *All wards confirmed that they sought to finalise the shifts the next working day.*
- *Agency invoices for shifts worked within the health board are paid via the Finance Team as per the process below: -*



- *Agency invoices are generally paid within 30 days of receipt. There is however no cut-off date for the provision of invoices by agencies to the health board.*

2.34 For the sample of 25 shifts covered by agency staff (as per 2.12), we have sought to confirm whether appropriately authorised time and attendance records were supplied to finance prior to approval of payment for the shifts. The following was noted:

- Timesheets were available for all 25 agency covered shifts reviewed;
- The names on the timesheets reconciled to the names on the invoice and Allocate;

- Dates of the shifts on the timesheets reconciled to dates on the invoices and Allocate;
 - Shift start and end time, including breaks were held on the timesheets;
 - Rates applied to the shifts reconciled to the applicable rates in the CCS 'on-contract' rates. However, for the 'off-contract' usage, there was no evidence of approval of the applied rates. See **Matter Arising 2**;
 - All shifts reviewed were signed off as authorised by an appropriate health board staff member (Staff Nurse, Ward Manager, Team Leader, etc).
 - It was noted that two of the shifts sampled had a discrepancy between time worked on the 'HealthRoster' system and the timesheets, these were both 30 minutes in the health boards favour.
- 2.35 Three of the selected agency covered shifts within the sample were for non-medical finance agency workers. The Head of Accounting highlighted that timesheets are approved by their nominated line manager, within finance, via the relevant agency's online platform. The platform issues an email to the manager with a link to approve or decline a timesheet. Invoices are subsequently matched to the amounts receipted against the relevant purchase order on Oracle prior to processing for payment.

Conclusion:

- 2.36 Agency workers are required to submit timesheets to confirm the hours worked for review and sign off by appropriate individuals within health board, and that these are reconciled to the Allocate system prior to authorisation for payment. Results of our testing confirmed that signed and authorised hours are supplied with the invoices prior to payment, however, we were unable to confirm agreement to the 'off-contract' rates that had been applied. We therefore assign **reasonable** assurance.

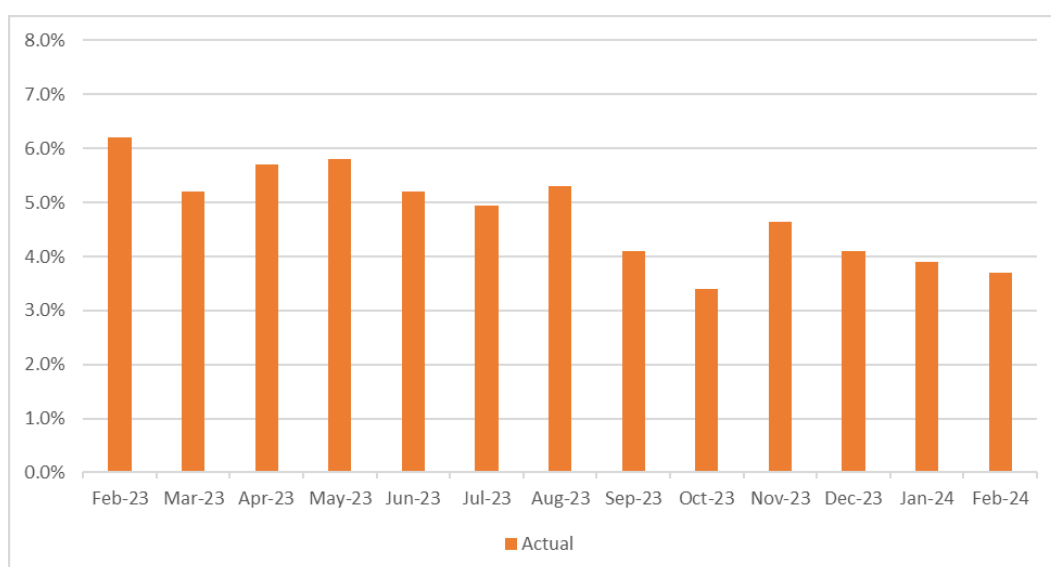
Objective 6: Appropriate management reporting mechanisms and oversight of agency usage, including action taken to minimise their use and to identify a longer term, more cost-effective solution where appropriate.

Service Group Level

- 2.37 At Service Group level, analysis of the bank, agency and overtime usage/spend is included in the monthly finance packs. The analysis includes agency spend for the month and year to date, by medical and non-medical staff and by service / division.
- 2.38 The finance packs are issued to a number of forums within each Service Group for review and scrutiny, including the Service Group Operational Business meeting, the Financial Review meeting and Service Group Board. We note that the finance packs are also included in the Corporate Nursing Pack for the Group Nurse Director to present within their updates at the Nurse Staffing Workforce meetings.
- 2.39 Bank and agency and roster unavailability reports are also produced and circulated to nurse managers on a weekly basis. These inform the monthly roster scrutiny meetings where rosters are approved.

Committee level

- 2.40 Reporting on agency management usage is primarily to the Performance & Finance Committee. The financial report issued to the December 2023 meeting highlights discussions held between Welsh Government and the health board regarding the focus areas to deliver the control total, which is managed through the 2023/24 landing plan. The plan contained an objective relating to 'capacity restriction' via agency targets.
- 2.41 It was also noted that part of the Integrated Performance Report issued to each meeting of the Finance and Performance Committee and Board, includes a section on workforce spend where variable pay is broken down. This includes analysis of both medical and non-medical agency pay and highlights over/under spend. The report also highlights the agency spend (as presented to the March 2024 meeting) as a percentage of the total pay bill as shown in the following chart:



- 2.42 Continued reliance on agency is highlighted as a key driver of staffing cost pressures. The key reasons highlighted in Welsh Government monitoring returns for agency expenditure are vacancy cover, temporary absence cover and additional support to deliver and performance. As reported to the Workforce, Organisational Development and Digital Committee, specific recruitment campaigns, coordinated by the Central Resourcing Team, have targeted acute ward-based health care support workers and nurses, as well as providing support to specific difficult to recruit posts. This has recently resulted in a reduction in the vacancy gap and should lead to a decrease in temporary agency spend.
- 2.43 A comparison was undertaken to how agency cost / usage is reported at other NHS Wales organisations. It was identified that other health boards include a breakdown of variable pay across categories such as overtime, locum, bank and agency (including 'off-contract' and contract agency). In addition, there are opportunities to explore the functionality within the Health Roster system to enable more formal real-time reporting and analysis of agency use. See **Matter Arising 7**

Conclusion:

2.44 There is regular reporting on agency usage and management at both a local level and to Board and Committees. Targeted recruitment campaigns have recently resulted in a reduction in the vacancy gap and should lead to a decrease in temporary agency spend. We have identified opportunities to further enhance formal real-time reporting and analysis of agency use. Therefore, we assign **reasonable** assurance to this objective.

Appendix A: Management Action Plan

Matter Arising 1: Policies and Procedures (Operation)		Impact
<p>There is no policy or procedure in place for the management of medical and non-medical agency staff within the health board.</p> <p>The review did note that the Nurse Rostering policy has a checklist in place for temporary staff decision making, however the policy has surpassed its December 2022 review date and failed to rectify the following gaps that were highlighted in a 2015/16 audit report:</p> <ul style="list-style-type: none"> • The roles and responsibilities of the users of the process such as Ward Manager, Lead Nurses, Heads of Nursing and Nurse Bank; • Advance/retrospective approval of bank and agency; • Expected time and attendance controls for bank/agency staff; • Ward Induction requirements; • Any pre-engagement check requirements for 'off-contract' suppliers; • Reporting and Monitoring requirements; • Ward record management requirements for timesheets; and • Invoice Certification requirements. 		<p>Potential risk of:</p> <ul style="list-style-type: none"> • non-compliance with health board policies and procedures
Recommendations		Priority
1.1	<p>The health board should look document roles and responsibilities, processes, controls and record-keeping requirements in a policy and/or procedure document for the management of both medical and non-medical agency staff.</p> <p>The document should be communicated appropriately to the staff involved in the process.</p>	<p>Medium</p>

Agreed Management Action		Target Date	Responsible Officer
1.1	The Health Board will create an agency procedure which confirms the process including roles and responsibilities. This will be in line with procurement procedures.	September 2024	Head of Workforce Effectiveness & Analytics in consultation with Procurement

Matter Arising 2: Procurement of Non-Framework Agency (Operation)		Impact
<p>Whilst framework suppliers are prioritised for escalation, sample testing has noted that the health board has used non-framework suppliers to fill shifts where necessary.</p> <p>Whilst recognising that non-framework agency use may be unavoidable to protect patient safety, it would not be appropriate to enter a formal contract with this agency. Such spend is non-compliant with Standing Orders and the Public Contract Regulations 2015 and should be highlighted to the Board.</p> <p>Further, where 'off-contract' agencies have been used, there was no documented evidence available to support the authorisation of its use, or of the rates to be applied.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> legal challenge arising from non-compliance with the Public Contract Regulations 2015, potentially resulting in reputational damage and/or financial loss.
Recommendations		Priority
2.1	Non-framework agency spend in breach of Standing Orders and the Public Contract Regulations 2015 should be reported to an appropriate Board committee.	Medium
Agreed Management Action		Target Date
2.1	<p>We will develop and implement an agency approval form.</p> <p>We will also ensure that all spend reports include the identification of non-framework use</p>	July 2024
		Head of Workforce Effectiveness & Analytics

Matter Arising 3: Authorisation of Agency Workers (Operation)		Impact
<p>From our review of a sample of 25 shifts, gaps were identified in formal authorisation for the approval of agency staff:</p> <ul style="list-style-type: none"> • Three shifts were in relation to specialist cover (theatres) and were not managed by the Nurse Bank Team. We have not been provided with evidence to demonstrate that these were appropriately authorised. • Two shifts were in relation to 'off-contract' agency workers. The request was made for a month in advance and there was a lack of documentation to demonstrate approval of on-going usage of the agency and the rates applied (see Matter Arising 2). • Four shifts were approved via a 'Teams' meeting, with no documentational evidence available. • There was a lack of documentation to demonstrate approval to procure agency staff for a further four shifts. 		<p>Potential risk of:</p> <ul style="list-style-type: none"> • inappropriate or unnecessary expenditure on additional resources, resulting in additional financial cost pressures for the Health Board
Recommendations		Priority
3.1	The health board should ensure that all shifts issued to agency has an audit trail that ensures authorisation was approved prior to agency cover being obtained.	High
Agreed Management Action		Target Date
3.1	As outlined in response 2.1 we will develop and implement an agency approval form.	July 2024
		Responsible Officer
		Head of Workforce Effectiveness & Analytics

Matter Arising 4: Pre-Employment Checks (Operation)	Impact
<p>In January 2021, the health board’s Local Counter Fraud Services issued a report following their fraud detection exercise on Pre-Employment Agency Checks.</p> <p>It was stated that in relation to agency suppliers <i>they should be informing the health board of any changes to agency workers that are or are no longer working for them in order to provide a more effective service. This could be a quarterly or bi-annual process in order to keep health board records current and to reduce the risk of financial loss to the organisation.</i></p> <p>There was no documentary evidence to confirm that this review process was being undertaken.</p> <p>Subsequent to this recommendation, we note that NWSSP Procurement appointed Audit & Assurance to undertake work to confirm nurse agency compliance with the All-Wales Agency Nurses contract specification, recognising that no health board carries out routine auditing of agencies even though NHS Wales is spending surplus of £10m per month on agency workers. Reporting is to the Temporary Staffing Group, which is a workstream which reports directly to the National Nursing Workforce Group, and includes coverage of pre-employment checks, core training and role specific training. We note that eight agencies have been reviewed since April 2023, four of which were used for seven of the 25 shifts sampled at this audit. Whilst assurance can be taken from no significant issues being raised in relation to pre-employment checks for the applicable agencies, there is no evidence of reporting of such within the health board.</p> <p>The appointment of this work was to cover 2022/23 and 2023/24. It has not been determined how this will continue going forward, noting that the contract specification states that such work can be undertaken by the <i>Health Boards and/or NWSSP as Agent for Health Boards.</i></p>	<p>Potential risk of:</p> <ul style="list-style-type: none"> • use of agency workers who are not appropriately skilled / screened which could result in patient harm.

Recommendations		Priority	
4.1	Reporting on the output of the contract specification compliance checks should be reported to an appropriate forum within the health board.	Medium	
4.2	To further address the recommendation by the Local Counter Fraud Services team, consideration should be given at both a local and national level as to how continued compliance will be measured and reported.		
Agreed Management Action		Target Date	Responsible Officer
4.1	Outcome of the checks undertaken to date will be reported within the health board.	November 2024	Head of Workforce Effectiveness & Analytics
4.2	To consider how assurance on continued compliance will be measured and reported, this will be raised at national forums to determine consistent approach.		

Matter Arising 5: Overlap of shifts (Operation)		Impact	
<p>Recent work has been undertaken by the Local Counter Fraud Services team (reported to the Audit Committee in March 2024) which involved a data matching exercise where shifts over a 6-month period were analysed to identify instances where there was an overlap of shift dates and times for the same individual, across different health boards or within the same health board.</p> <p>Specific to the health board, 316 shifts were identified with 214 as overlapping with other health boards and 92 as overlapping with in the health board itself.</p> <p>It was reported that whilst there was not sufficient evidence to suggest all were associated with fraudulent activity, there is a lack of control in place at health board level which allows the sharing of an agency workers data, specifically prior to the date of a shift to prevent booking of overlapping shifts by the same agency worker.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Unnecessary use of agency staff due to inefficient or ineffective rostering processes, resulting in additional financial cost pressures for the health board. 	
Recommendations		Priority	
5.1	<p>The process for the booking of agency staff should be extended to review all booking data and validate that no shifts overlap for any one agency worker (recognising such can be undertaken on a retrospective basis).</p>	Medium	
Agreed Management Action		Target Date	Responsible Officer
5.1	<p>We will explore the approach to undertake retrospective checks to highlight overlapping shifts across health boards at the national forum, and ensure instances identified are actioned appropriately.</p> <p>There is functionality available within the bank system to reduce the risk of overlapping shifts within the health board. These settings have been reviewed and amended to mitigate the risk as much as possible.</p>	August 2024	Head of Workforce Effectiveness & Analytics

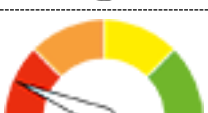
Matter Arising 6: Completion of Agency Staff Inductions (Operation)		Impact	
<p>Recent work has been undertaken by the Local Counter Fraud Services team (reported to the Audit Committee in March 2024) which involved site visits at all three acute sites to confirm that appropriate checks were undertaken at Ward level when an agency worker attends for their allocated shift.</p> <p>Whilst it was confirmed that as per the Contract Specification <i>the induction, or walk around process, would be carried out for new Agency Staff or if the agency worker was not known to the ward staff.</i> However, such was not routinely recorded on the Staff Induction forms.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> • Non-compliance with health board policies and procedures; • Compromise to patient safety. 	
Recommendations		Priority	
6.1	All staff induction forms, for agency workers, should be completed and appropriately authorised to demonstrate adherence to the required induction process.	Medium	
Agreed Management Action		Target Date	Responsible Officer
6.1	It is current process that all temporary workers complete an induction checklist if working in new wards that is approved by an appropriate person. We will reinforce this message across the service groups and undertake random sampling on a 6 monthly basis.	June 2024	Head of Workforce Effectiveness & Analytics

Matter Arising 7: Reporting of Agency Cost / Usage (Operation)		Impact	
<p>The health board is currently reporting on agency use and cost at both a local level and at Board and Committee level. However, from review of reporting undertaken at other NHS Wales organisations, there is an opportunity to enhance reporting by breaking down the spending further to show 'on-contact' and 'off-contract' spend.</p> <p>In addition, there are opportunities to explore the functionality within the Health Roster system to enable more formal real-time reporting and analysis of agency use, including by whole time equivalent and hours, % of shifts filled by substantive, bank and agency staff, rationale for agency use etc.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Agency use and spend not appropriately monitored and controlled, potentially resulting in additional financial pressure for the health board. 	
Recommendations		Priority	
7.1	<p>a) The health board should look to enhance the reporting detail into agency spend by breaking down total spend to show 'on-contact' and 'off-contract' spend.</p> <p>b) The health board should also look to enable more formal real-time reporting and analysis of agency use.</p>	Medium	
Agreed Management Action		Target Date	Responsible Officer
7.1	(a) & (b) We are reviewing reporting agency reporting arrangements and will break down the information to on-contract and off-contract and report into relevant committees.	August 2024	Head of Workforce Effectiveness & Analytics in consultation with Finance

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services
Partnership
Audit and Assurance Services

NHS Wales Shared Services Partnership
4-5 Charnwood Court
Heol Billingsley
Parc Nantgarw
Cardiff
CF15 7QZ

Website: