

Agency & Rostering Final Internal Audit Report

June 2023

Hywel Dda University Health Board



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



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board



Contents

Executive Summary 3

1. Introduction..... 5

2. Detailed Audit Findings..... 6

Appendix A: Management Action Plan..... 116

Appendix B: Assurance opinion and action plan risk rating 23

Review reference:	HDUHB-2223-06
Report status:	Final
Fieldwork commencement:	February 2023
Fieldwork completion:	May 2023
Debrief meeting:	19 May 2023
Draft report issued:	22 May 2023
Management response received:	6 June 2023
Final report issued:	6 June 2023
Auditors:	Laura Leavesley, Principal Auditor Sophie Corbett, Deputy Head of Internal Audit
Executive sign-off:	Lisa Gostling, Director of Workforce & OD
Distribution:	Michelle James, Head of Resourcing & Utilisation Julie Rogers, Senior Workforce Manager – Bank & eRostering
Committee:	Audit & Risk Assurance Committee



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

Acknowledgement

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.

Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit & Risk Assurance Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

Executive Summary

Purpose

The overall objective of this audit is to establish and review the systems and processes in place to manage and control agency use.

Overview

We have issued **reasonable** assurance on this area. The recently implemented Health Roster system is an intuitive system with a number of inherent controls designed to ensure effective utilisation of substantive nursing resource and escalation to temporary staffing solutions prioritised according to cost. Whilst agency spend as a percentage of the total pay bill continues to exceed target, this is broadly consistent with the rest of NHS Wales. Reduction in variable pay is a key strategic aim for Workforce & OD and is monitored by the PODCC.

The matters requiring management attention include:

- Lack of senior review/oversight of final rosters to ensure efficient rostering processes and identify opportunities to reduce agency use.
- Retrospective recording/approval of over-establishment shifts.
- Resource priority and escalation processes are not formally documented. Bank and agency are also given equal priority for booking unfilled shifts escalated less than 28 days before the shift, which could result in unnecessary agency use.
- Non-framework agency spend is non-compliant with Standing Orders and Public Contract Regulations 2015.
- Directorates are not widely utilising the Health Roster reporting functionality to monitor agency use, and there is no real-time reporting of agency use or spend to the Director of Nursing or Director of Operations.

Full details of matters arising are provided within Appendix A on page 16.

Report Opinion

		Trend
Reasonable	Some matters require management attention in control design or compliance.	n/a
	Low to moderate impact on residual risk exposure until resolved.	First Review

Assurance summary¹

Objectives	Assurance
1 Roster produced, approved, and published in line with Roster Procedure	Reasonable
2 Agency staff are only engaged where necessary	Reasonable
3 Agency nursing staff are procured in accordance with SO's and guidelines	Reasonable
4 Agency nursing usage and spend is monitored	Reasonable

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

Key Matters Arising		Objective	Control Design or Operation	Recommendation Priority
1	Review & Approval of Rosters	1	Design	Medium
2	Retrospective recording/approval of over-establishment shifts	1	Operation	Medium
3	Resource Priority & Escalation	2	Design	Medium
4	Procurement of Non-Framework Agency	3	Operation	Medium
5	Monitoring & Reporting of Agency Use	4	Design	Medium

1. Introduction

- 1.1 The Nurse Staffing Levels (Wales) Act 2016 places a statutory duty on Health Boards to take 'all reasonable steps' to maintain safe nurse staffing levels. This includes the temporary use of staff, appropriate to the skill mix set out in the planned roster, from nurse bank, other areas within the organisation or a nursing agency.
- 1.2 Effective staff rostering processes are fundamental to ensuring that services have appropriate staffing levels and skills mix to maximise the quality of care provided and reduce the risk of harm to patients. It requires consideration of the needs of patients, staff and the organisation, as well as the availability of resources and skills required to deliver services. The Health Board's Rostering policy provides guidance on the creation and management of staff rosters.
- 1.3 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, which require prior approval from the Director of Nursing.
- 1.4 The 2021/22 Annual Accounts report average agency staff usage of just over 10% of total nursing and midwifery staff during the year. The ability to attract, retain and develop staff with the right skills is a risk reflected on the Health Board's Board Assurance Framework (ref 1186). Failure to achieve this results in greater reliance on temporary staffing solutions, increasing financial pressures and potentially impacting on patient and staff experience.
- 1.5 The risks considered in the review are:
 - non-compliance with Health Board policies and procedures;
 - failure to maintain adequate nurse staffing levels and appropriate skill mix, impacting on the quality of care provided to patients, potentially resulting in patient harm and/or negative patient experience;
 - failure to obtain value for money due to inappropriate use of agency nursing resource; and
 - reputational damage.

2. Detailed Audit Findings

Objective 1: Rosters are produced, approved and published in line with the roster procedure

- 2.1 Implementation of the Allocate 'Health Roster' system commenced in 2021 to replace RosterPro which was decommissioned in November 2022. Priority was given to existing RosterPro users (including acute wards) to allow for transition. The system has been fully utilised by these users since January 2023 and sampling therefore focused on the first quarter of 2023.
- 2.2 The 'Health Roster' system has a range of inbuilt controls enforcing compliance with the Rostering Policy and working time directive, including:
 - access and privilege controls to ensure segregation of duties and that certain tasks are undertaken by appropriate individuals
 - additional shifts over and above the roster establishment can only be added by a Senior Nurse Manager or Head of Nursing
 - red flag notifications where rosters don't meet the required skill mix, or breach the Working Time Directive

Rostering Policy

- 2.3 The rostering policy was updated during the audit and published on the 6 March 2023. It now includes appendices with links to guidance on effective rostering for nurses and midwives, roles and responsibilities, KPIs and roster approval process.
- 2.4 There are no specific timelines identified in the policy for approval or publishing of the roster, although it refers to the roster calendars which identify the deadlines for key tasks in the roster planning process.

Preparation & Approval of Rosters

- 2.5 Rosters are produced in set periods of four weeks and the process is summarised in figure 1 below:

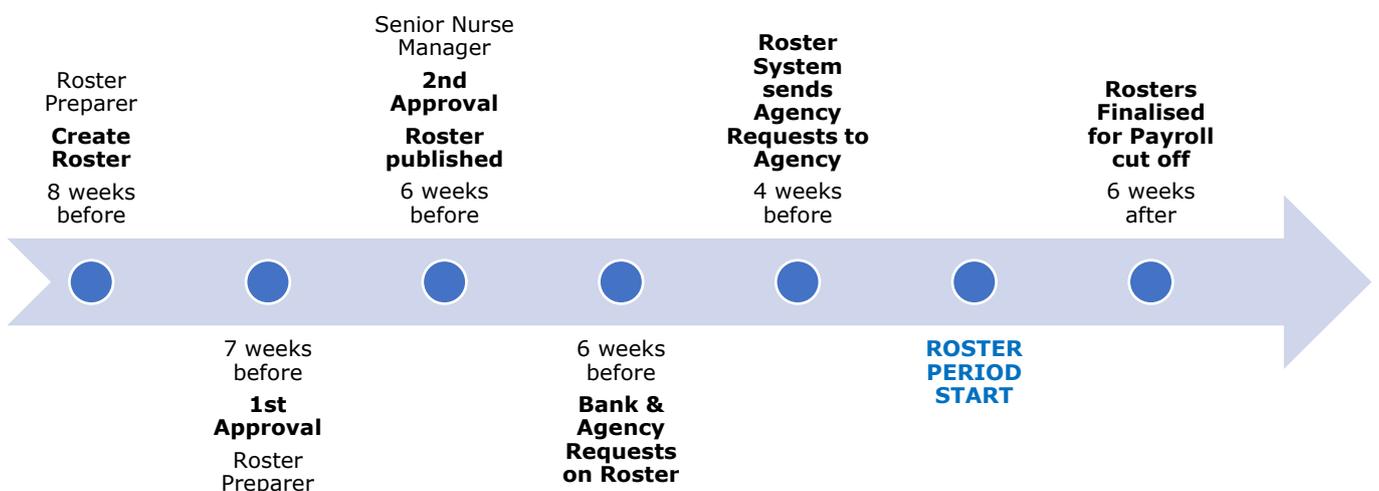
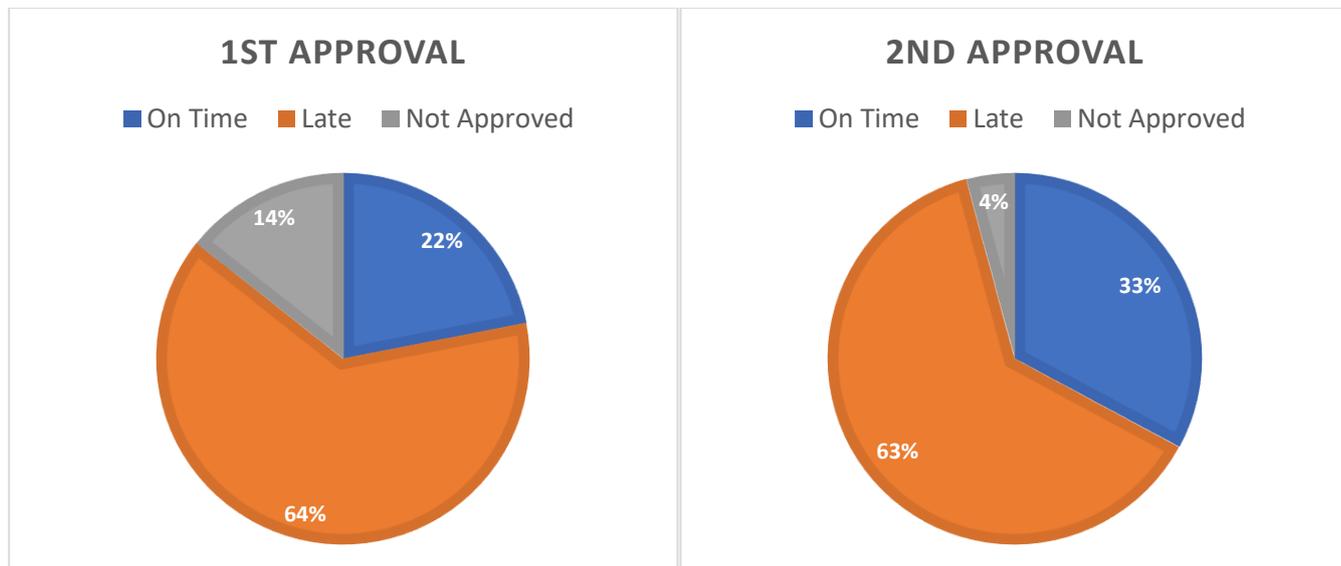


Figure 1: Roster Timeline

- 2.6 Health Roster has auto-roster functionality based on parameters which can be set for each ward/department to achieve the required staffing levels and skill set mix. System training suggests a mix of 50% Auto-Roster, 25% requests and 25% manual allocation as a general guide. Less than 15% of wards/departments are using this function, although there is no correlation between use of auto-roster and the level of roster changes.
- 2.7 First approval is completed by the roster preparer so is not an independent approval but is a prerequisite for second approval by the Senior Nurse Manager, which triggers publication of the roster.
- 2.8 Second approval is a new requirement agreed as part of the Health Roster implementation following review of the early adopters roll out in 2021, to introduce independent review and segregation of duties in the preparation and publication of rosters. The approval evidences review of the roster at a point in time, to confirm appropriate rostering of substantive staff before unfilled shifts are escalated and assigned to bank and agency. Changes can be (and are) made to the roster following second approval, with no requirement for re-approval prior to the shift (see para 2.12 & 2.19 below). **[Matter Arising 1]**
- 2.9 Three four-week roster periods commencing 30 January, 27 February and 27 March 2023 were sampled, covering a total of 447 rosters across the Health Board, to assess compliance with first and second approval requirements. We identified instances where rosters had not been approved and most of those that had been approved were late, preventing or delaying publication of the roster:



2.10 Some departments (i.e., where the 18% of rosters are not second approved) manage and share rosters with staff outside of Health Roster then retrospectively update the system for payment purposes. The eRostering Team advised that roster approval and publishing is monitored and reported escalated to Senior Nursing Manager Team meetings and Professional Nursing and Midwifery Forum's for address.

Roster Changes

- 2.11 Rosters are continually reviewed and amended where necessary to ensure adequate staffing levels based on patient acuity. Active management and amendment of the rosters up to the start of a shift was evident and each shift may be subject to several changes to ensure it is appropriately resourced. Where shifts need to be reallocated or filled by bank or agency staff at short notice due to unplanned absence (e.g. sickness) the rosters are often updated retrospectively.
- 2.12 The roster preparer can make changes to the roster after second approval and these do not require independent review or re-approval prior to the shift, although realistically this may not be feasible due to the volume and frequency of changes. Most rosters reviewed had been amended post-second approval:

Roster Period Start	30 Jan 2023	27 Feb 2023	27 Mar 2023
% of rosters amended post-second approval	98%	100%	89%

- 2.13 Post-payroll changes are also possible but require intervention from the eRostering Team to unlock the finalised roster for amendment. This recently implemented control allows the eRostering Team to monitor and identify areas making frequent delayed changes to pay information which may indicate that rosters are not being kept up to date and managed efficiently.

Over-Establishment

- 2.14 If additional resource is required over and above the agreed establishment recorded in Health Roster the additional shifts must be added to the roster by the Senior Nurse Manager or higher – this is enforced through system access controls. For the roster periods reviewed it was evident that over-establishment shifts are regularly requested to meet the requirements for safer staffing, with the rationale recorded on Health Roster.
- 2.15 A Health Roster report identified in excess of 8200 over-establishment shifts for the roster periods sampled, although this had significantly reduced from 3776 in January to 999 in March 2023. The majority of additional shifts were due to high patient acuity and additional beds (surge), particularly within A&E.
- 2.16 Discussion with Senior Nurse Managers noted that over-establishment shifts required at short notice and/or outside of core working hours are added retrospectively, in which case there is no evidence of prior approval. Sample testing of 45 over-establishment shifts (15 for each of the three roster periods reviewed) identified that 20% had been added retrospectively for the January and February roster periods. **[Matter Arising 2]**

Finalising the Rosters

- 2.17 Line managers are required to finalise each staff members roster at the end of the roster period to confirm the shifts worked. eRostering monitor rosters awaiting

finalisation and will request Senior Nurse Managers do a blanket approval for the whole roster if necessary to ensure finalisation ahead of payroll deadlines.

- 2.18 We observed examples where rosters had been finalised for payment just before the payroll deadline, then unfinalised to make amendments to the roster which will then be reflected in the subsequent period pay. To deter post finalisation amendments and hold line managers to account, all such amendments must go through the eRostering Team.
- 2.19 There is no requirement for senior review or oversight of the final roster as a whole to assess the efficiency and effectiveness of rostering processes, for example whether substantive and bank resource is being used effectively to minimise use of agency. We have observed examples at other Health Boards where senior approval of the final roster is required. **[Matter Arising 1]**

Conclusion:

- 2.20 Health Roster is an intuitive system with controls in place to support effective and efficient rostering.
- 2.21 Rostering is clearly a resource intensive process with frequent changes required post-approval and right up to shift start, and reliance on bank/agency in order secure sufficient and appropriate staff due to unfilled vacancies. The system maintains a full audit trail of the roster process including escalation to bank/agency, amendments, approvals and finalisation.
- 2.22 However, post-second approval changes to the roster do not require re-approval which calls into question the value of requiring second approval by the Senior Nurse Manager, and there is no requirement for senior oversight or scrutiny of final rosters (either before or after shifts worked) to ensure efficient and effective rostering and consider the appropriateness of decisions to escalate to agency.
- 2.23 We have concluded **Reasonable** assurance for this objective.

Objective 2: Agency nursing staff are only engaged where necessary, as a temporary solution and after alternative, more cost-effective, options have been explored

Registered Nurse Resources – At a Glance

Band 5 RN Establishment	
Budget	3225.1 WTE
Actual	2883.3 WTE
Variance	341.8 WTE
Active Recruitment	275 posts

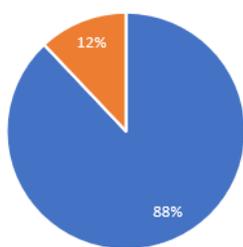
Number of Bank Staff	
Substantive + Bank	1366
Bank Only	848
Total	2214

Agency - whole-time equivalents and hours in 2022/23:



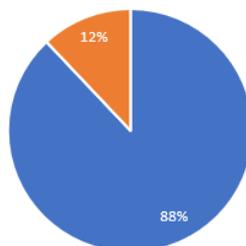
Contract and off-contract agency use for two sampled roster periods (8 weeks February – March 2023), and rationale for off-contract agency use:

% of Shifts Filled by Substantive/Bank & Agency



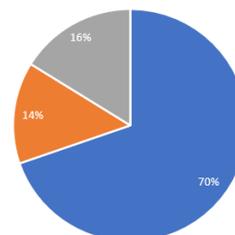
■ Substantive & Bank ■ Agency

% of Contract vs Off-Contract Agency



■ Contract Agency ■ Off-Contract Agency

Rationale for Off-Contract Agency Use



■ Unfilled Establishment (Vacancies) ■ High Patient Acuity ■ Additional Beds (Surge)

Resource Priority & Escalation

2.24 The priority for filling shifts (figure 2) and processes for escalating to bank and framework/non-framework agency are not formally documented. **[Matter Arising 3]**

2.25 Shifts that cannot be filled by substantive staff are escalated via the Health Roster system to the Nurse Bank Team to source bank or agency staff. This task can be completed from the point of first approval of the roster by the preparer – six weeks before the roster period start date.

- i. Nurse Bank Team will attempt to fill the shift with bank staff. Available shifts are visible to and can be booked by bank staff via Employee Online.
- ii. If a shift remains unfilled at 28 days before the shift, Health Roster automatically escalates the shift to (i) the top-filling framework agencies to fill directly on the system (Section 25B wards) or (ii) Nurse Bank Team to manually identify and fill with framework agency (all other wards).
- iii. On a daily basis the Nurse Bank Team identify unfilled shifts due to start within 72 hours and seek approval to escalate to off-framework agency – see para 2.29)

2.26 The process is designed to ensure shifts are filled in the most cost-effective way. Health Roster maintains an audit trail of shifts escalated to bank and framework agency and manual records of non-framework escalations and approvals maintained by the Nurse Bank Team, demonstrating compliance with the escalation process.

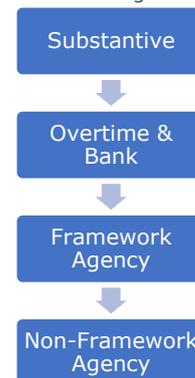
2.27 By nature it is possible for wards to bypass this process, agree shifts with agency staff and directly assign them to the shift in Health Roster. There are no practical means of preventing this, which reinforces the need for senior scrutiny of final rosters to ensure efficient and effective use of substantive and temporary staffing. **[Matter Arising 1]**

2.28 Shifts escalated to bank/agency less than 28 days 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. The Senior Workforce Manager for Bank & eRostering advised whilst this is possible, if bank staff requested a shift already allocated to agency the agency booking would be cancelled, albeit this is unlikely due to the limited bank resource. **[Matter Arising 3]**

Approval of Non-Framework Agency

2.29 Approval requirements for escalation to non-framework agency vary by area due to the ongoing Nurse Stabilisation Programme. Whilst the requirements for stabilisation wards are documented in the *Escalation Process* (January 2023), the extant requirements for all other wards are not formally documented. A summary of the requirements is provided in the table below. **[Matter Arising 3]**

Figure 2 Rostering Priorities



Nurse Stabilisation Programme Wards (24 wards across GGH & PPH Unscheduled Care) Effective 11 April 2023	-2 WTE Vacancy	-2 to -6 WTE Vacancy	-6 WTE Vacancy
	Director of Nursing / Operations or Exec on Call	Assistant Director of Nursing / General Manager or Head of Nursing on Call	General Manager / Head of Nursing
	Form must be completed to confirm appropriate rostering, rationale for requirement and demonstrate non-framework agency requested as last resort		
All Other Wards	< 72hrs to shift		> 72hrs to shift
	Senior Nurse Manager or Head of Nursing		Executive Director of Nursing

2.30 We sampled 10 non-framework shifts on stabilisation wards and noted variation in the approval requirements stated on the completed forms, with some permitting General Manager/Senior Nurse Manager (rather than Executive on call) approval of out of hours escalation requests. It was therefore difficult to determine whether appropriate approval had been obtained. **[Matter Arising 3]**

2.31 Under the extant arrangements, blanket approval by the Director of Nursing is permitted and has been provided for certain wards (generally Section 25B¹) with significant/ongoing temporary staffing requirements. We reviewed 30 off-framework shifts across the three roster periods which identified 13 shifts booked outside of 72hrs, all of which related to GGH Critical Dependency Unit or WGH Accident & Emergency and were covered by a blanket approval.

2.32 The Nurse Bank Team run regular reports to identify shifts filled by a non-framework agency more than 72 hours before the shift and without appropriate approvals (i.e. where the ward has bypassed the above process and booked directly with the agency) and engage with the ward to arrange alternative resource where possible and educate. The Senior Workforce Manager advised that no such instances have been identified recently, although reports are not retained to evidence this.

'Partnership' Agency Nurse and Block Bookings

2.33 Two hospitals have bespoke arrangements for agency use due to difficulties in securing both substantive and temporary nursing resource.

2.34 Bronglais have an arrangement with three framework agencies to provide 'partnership nurses' on a medium to long-term basis. They are employed and contractually managed by the agencies but form part of the ward teams so receive NHS training and are rostered in the same way as substantive staff. In 2022 partnership nurses accounted for 19.6% of the WTE on Bronglais wards.

2.35 Withybush have been using a block booking arrangement offering an incentivised rate to agency staff working a minimum of three 'long day' shifts in a week, booked up to six months in advance, in identified hard to fill areas. We were advised that the incentivised rates are available to 15 individuals and are not offered to new agency staff. At present there are no planned/target end dates to these arrangements, although we discussed with Workforce & OD the ongoing

¹ Section 25B of the Nurse Staffing Levels (Wales) Act 2016 currently applies to adult acute medical and surgical inpatient wards, and places a duty on Health Boards to calculate and take reasonable steps to maintain nurse staffing levels.

recruitment activities to reduce future use, including the ongoing Nurse Stabilisation Programme. On this basis, no further recommendations are raised.

Conclusion:

- 2.36 Processes for prioritisation of resource and escalation to bank and agency are designed to ensure effective use of resources, although they are not formally documented. We also identified variation in the non-framework agency approval requirements for stabilisation wards.
- 2.37 Bespoke arrangements for longer-term and enhanced rate agency use at two hospitals are ongoing with no planned end dates, although we recognise the ongoing nurse stabilisation programme is intended to build capacity and resilience in the workforce to reduce reliance on temporary staffing.
- 2.38 Accordingly, we have concluded **Reasonable** assurance for this objective.

Objective 3: Agency nursing staff are procured and approved in accordance with standing orders and procurement guidelines

- 2.39 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.
- 2.40 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.
- 2.41 Review of agency use for two sampled roster periods (8 weeks February – March 2023) identified 12% of agency shifts are filled by non-framework agency. Analysis of invoices for the non-framework agency regularly used by the Health Board identified spend of nearly £7m in 2022/23. 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 are focusing on reducing non-framework agency use through ongoing recruitment and the Nurse Stabilisation Programme. In the meantime, this spend is non-compliant with Standing Orders and the Public Contract Regulations 2015 and should be highlighted to the Board. **[Matter Arising 4]**
- 2.42 Nurse agency spend is exempt from purchase order requirements under the all-Wales No PO No Pay Policy. Approval requirements for non-framework agency are covered under objective 2 (see para 2.29).

Conclusion:

2.43 We have concluded **Reasonable** assurance for this objective on the basis that 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, there is significant spend with a non-framework agency which is non-compliant with the Public Contract Regulations.

Objective 4: Agency nursing usage and spend is monitored and there is engagement with Workforce & OD to identify a longer term, more cost-effective solution where appropriate

2.44 The eRostering Team confirmed that Senior Nurse Managers have been given training and access to reporting functionality on Health Roster to monitor agency use for their areas. Review of the reporting functionality confirmed that it is comprehensive and sufficient to enable monitoring against the rostering metrics identified in the Rostering Policy. However, the eRostering Team are not aware of these reports being used, and they provide reports on request. **[Matter Arising 5]**

2.45 The eRostering Team review rosters on an ad hoc basis and engage with roster preparers, Senior Nurse Managers and Heads of Nursing to support them in improving roster efficiency and minimising agency use. This is an informal process and not documented.

2.46 There is no real-time reporting of agency use or spend to the Director of Nursing or Director of Operations. Reports of non-framework agency use are now provided to the Director of Workforce & OD, Assistant Director of Nursing and Heads of Nursing – this is a new reporting arrangement which commenced during audit fieldwork. **[Matter Arising 5]**

2.47 Specific recruitment campaigns have targeted registered nurses which have high recruitment levels and have focused media-based campaigns on specific wards on Bronglais. Employment Fairs have been run in racecourses and other high visibility public venues in the location of Prince Phillip and Bronglais, whilst Bronglais Senior management have worked with WOD to engage with the University of Aberystwth to develop pathways into the hospital's recruitment activities and bank population.

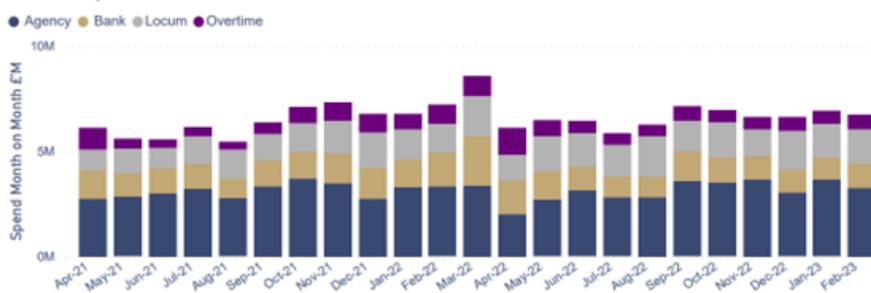
2.48 Reducing nurse agency forms part of the ongoing Nurse Stabilisation Programme which consists of a number of initiatives to reduce nursing vacancies through successful recruitment campaigns and reduce reliance on temporary staffing.

2.49 Agency and temporary workforce utilisation is a key metric in the Performance Assurance and Workforce Metrics report to the People, Organisational Development & Culture Committee (PODCC). Agency spend as a percentage of the total pay bill was reported to be 6.89% in February 2023 and 2022/23 to date has reduced compared to the same period in 2021/22:

Agency Spend as a percentage (%) of the total pay bill

Month Name	2020/2021	2021/2022	2022/2023
April	3.36%	6.84%	6.46%
May	3.19%	7.04%	6.12%
June	3.45%	7.47%	6.94%
July	3.89%	7.95%	6.42%
August	4.58%	7.01%	6.46%
September	5.07%	6.79%	6.52%
October	5.84%	8.33%	6.94%
November	6.23%	7.77%	9.27%
December	6.07%	7.18%	6.23%
January	6.92%	7.15%	7.83%
February	3.98%	7.08%	6.89%
March	3.12%	5.13%	

Variable Pay Month on Month



Source: Performance Assurance & Workforce Metrics Report as at February 2023, reported to April PODCC

2.50 Continued reliance on agency is highlighted as a key driver of staffing cost pressures within the Finance Report to the Sustainable Resources Committee, with a breakdown of monthly agency spend provided as part of the appended Welsh Government monitoring returns. In June 2022 the end of year forecast was £27.4m, increasing to £29.4m by February 2023.

Conclusion:

2.51 System reporting available on Health-Roster is intuitive and fulfils much of the policy designated metrics for monitoring roster efficiency and agency use however, use of reporting functionality is limited with Directorates requesting ad hoc reports from eRostering team. There is no formal, real-time reporting of agency use to the Director of Nursing although we were advised that this monitored in Health Roster by the Director of Workforce. There is evidence of appropriate reporting of agency use and spend to Board via the PODCC and SRC. We have therefore concluded **Reasonable** assurance for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Review & Approval of Rosters (Design)		Impact
<p>There are two stages of 'approval' in Health Roster – the first is completed by the roster preparer and the second, whilst independent, takes place prior to the escalation and allocation of unfilled shifts to bank and agency.</p> <p>At the end of the roster period each shift is finalised by the employee's line manager to confirm hours worked, but there is no requirement for senior review or oversight of the final roster as a whole to assess the efficiency and effectiveness of rostering processes including use of substantive, bank and agency staff.</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
1.1	Final rosters should be subject to senior review and oversight to ensure efficient rostering to minimise the use of agency staff.	Medium
Agreed Management Action		Target Date
1.1	<p>Roster team to continue with regular roster audits, recording findings and reviewing with the Ward Manager. The Senior Nurse Manager and Deputy Head of Nursing to be invited to the roster review meetings; a roster audit report issued to the service with actions recorded and followed up at the next review meeting.</p> <p>In addition the temporary staff utilisation report to be sent at the end of each month to Senior Nurse Manager, Deputy Head of Nursing, Head of Nursing and General Manager.</p>	<p>30th September 2023</p> <p>30th June 2023</p>
		Responsible Officer
		<p>Julie Rogers</p> <p>Senior Workforce Manager: Bank and ERostering</p> <p>Sarah Barnes</p> <p>Senior Workforce Manager: Systems and Workforce Intelligence</p>

Matter Arising 2: Retrospective recording/approval of over-establishment shifts (Operation)		Impact
<p>Over-establishment shifts must be approved by the Senior Nurse Manager (as budget holder) and the Health Roster system is designed to ensure compliance with this through system access controls. Sample testing identified up to 20% of over-establishment shifts reviewed had been retrospectively added to the roster. We were advised that over-establishment shifts required at very short notice and/or outside of Senior Nurse Manager core working hours are added retrospectively, in which case there is no evidence of prior approval.</p>		<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
2.1	<p>Establish arrangements for the appropriate prior approval of over-establishment shifts required at short notice or outside of Senior Nurse Manager core working hours.</p>	Medium
Agreed Management Action		Target Date
2.1	<p>Review each roster area to ensure sufficient managers that work out of hours are trained to be able to add shifts and approve. Refresher training to be made available to all areas.</p> <p>List of Managers working out of hours to be requested from the service.</p> <p>Roster team to share escalation process out of hours with all managers that may working out of hours.</p> <p>Roster Team to send a reminder on the process for approving shifts outside of working hours to Senior Nurse manager.</p>	30 th September 2023
		Responsible Officer
		<p>Julie Rogers</p> <p>Senior Workforce Manager: Bank and ERostering</p>

Matter Arising 3: Resource Priority & Escalation (Design)		Impact	
<p>The priority for filling shifts and processes for escalating to bank and framework/non-framework agency are not formally documented, although system controls are designed to promote compliance with requirements.</p> <p>Shifts escalated to bank/agency less than 28 days 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.</p> <p>Approval requirements for non-framework agency use by Nurse Stabilisation Programme wards are documented in the Escalation Process (January 2023) however extant arrangements for all other wards are not documented. We also identified variation in the approval requirements stated on the escalation forms.</p>		<p>Requirements and procedures for resource prioritisation and escalation are not documented and available to staff so there is a risk that they are not consistently complied with, potentially resulting in inappropriate use of agency and additional cost pressures for the Health Board.</p>	
Recommendations		Priority	
3.1a	Processes for resource priority and escalation, including approval requirements, should be formally documented and communicated to relevant staff including roster preparers and Senior Nurse Managers.	Medium	
3.1b	Shifts escalated to bank/agency in Health Roster less than 28 days before the shift date should be prioritised to bank before releasing to agency.		
Agreed Management Action		Target Date	Responsible Officer
3.1a	The priority for filling shifts and processes for escalating to bank and framework/non-framework agency to be formally documented and shared with all relevant staff. In addition a costing sheet to be developed to demonstrate the cost incurred should bank, additional hours, overtime, On Framework or Off Framework be used, and shared with relevant staff.	30 th September 2023	<p>Julie Rogers</p> <p>Senior Workforce Manager: Bank and ERostering</p>

Matter Arising 4: Procurement of Non-Framework Agency (Operation)		Impact
<p>Whilst framework suppliers are prioritised for escalation, the Health Board does use a non-framework supplier to fill shifts where necessary. We identified 12% of agency shifts are filled by non-framework agency, and analysis of invoices for this agency identified spend of nearly £12m in 2022/23.</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 – instead the Health Board are focusing on reducing non-framework agency use through ongoing recruitment and the Nurse Stabilisation Programme. In the meantime, this spend is non-compliant with Standing Orders and the Public Contract Regulations 2015 and should be highlighted to the Board.</p>		<p>Risk of legal challenge arising from non-compliance with the Public Contract Regulations 2015, potentially resulting in reputational damage and/or financial loss.</p>
Recommendations		Priority
4.1	Non-framework agency spend in breach of Standing Orders and the Public Contract Regulations 2015 should be reported to an appropriate Board committee, such as the Audit & Risk Assurance Committee.	Medium
Agreed Management Action		Target Date
4.1	The breach of Standing Orders to be reported to the Audit & Risk Assurance Committee.	30 th September 2023
		Responsible Officer
		Lisa Gostling Director of Workforce & OD

Matter Arising 5: Monitoring & Reporting of Agency Use (Design)		Impact	
<p>Whilst Senior Nurse Managers have been provided with training and access to the reporting functionality on Health Roster, we understand that this is not widely used and reports are currently provided by the eRostering team on an ad hoc basis on request.</p> <p>There is also no real-time reporting of agency use or spend to the Director of Nursing or Director of Operations. Reports of non-framework agency use are now provided to the Director of Workforce & OD, Assistant Director of Nursing and Heads of Nursing – this is a new reporting arrangement which commenced during audit fieldwork.</p>		<p>Agency use and spend is not appropriately monitored and controlled, potentially resulting in additional financial pressure for the Health Board.</p>	
Recommendations		Priority	
5.1a	Directorates should be provided with regular reports on agency use to ensure adequate and consistent monitoring, until they are confident in doing this independently in the Health Roster system.	<p>Medium</p>	
5.1b	Agency use should be reported on a regular (e.g. weekly) basis to the Director of Nursing.		
Agreed Management Action		Target Date	Responsible Officer

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.
	No 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: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)