Why audit bank and agency nursing?

Trusts are making increased use of temporary nursing staff to fill staffing shortfalls arising from vacancies, planned absences, sickness and increased activity. Consequently, expenditure is rising. The total cost is unknown, but in 1998/99 £273 million was spent (figures available for England only) on agency nurses alone. This was 26 per cent more than in the previous year. The use of bank nurses is also increasing and can account for anything up to 30 per cent of nursing hours worked.

An audit of bank and agency nursing is timely and relevant because of:

- limited, or no, pre-employment checks carried out by trusts or agencies;
- inadequate induction and training; and
- poor performance of some temporary nursing staff.

The need to control rising costs. There is wide variation between trusts in the level of expenditure on temporary nursing staff. This variation is explained in part by geography [EXHIBIT 1] but also appears to reflect real differences in the management of the total nursing establishment.

EXHIBIT 1

On average London trusts spend significantly more on agency nurses than provincial trusts

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<th>Agency as percentage of paybill</th>
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<td>PROVINCIAL TRUSTS</td>
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| LONDON TRUSTS                   |
| 30                              |
| 25                              |
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Source: Audit Commission analysis of TFR3 returns
The audit will help trusts minimise the financial and clinical risks

The need to improve management arrangements. Not all trusts have a centrally managed nursing bank. Many do not have effective policies and procedures to minimise payment irregularities and to ensure the efficient use of resources [BOX B]. In addition, a lack of investment in IT means that many trusts rely on inefficient paper-based systems and are unable to ensure compliance with working time legislation.

BOX A

Case study demonstrating clinical risk

Poor employment checks and induction procedures at a hospital trust in Wales led to the following incident.

A person who had ambitions to be a nurse but worked as a care assistant arrived on a hospital ward claiming to be a registered nurse from an agency. She carried out routine nursing duties which included giving an injection of morphine to a patient.

Staff became suspicious of the nurse's ability and experience. The person was prosecuted for assault and falsely claiming professional qualifications.

BOX B

Case study highlighting costs associated with weak management arrangements

One Welsh trust had an arrangement with an employment service to manage all aspects of the nursing bank. However, the majority of wards made their own arrangements for covering staffing shortfalls incurring significant indirect costs.

The time spent by senior nurses arranging cover ranged from 39 to 106 hours a day. The annual cost of this was estimated to be between £38,000 and £140,000.

The trust could not only save money by introducing an effective bank system, but senior nurses would be released to carry out other duties.

Source: District Audit, local audit reports
Benefits of the audit

The audit will help trusts minimise the financial and clinical risks associated with temporary nursing cover by promoting efficient and effective management arrangements. It will provide them with information to:

- compare their costs and the use of bank and agency nurses with similar trusts and against alternative cover arrangements, for example, overtime;
- assess whether current arrangements minimise the need for temporary staffing;
- put in place effective management arrangements to ensure that bank and agency nurses are suitable for the posts in which they are employed; and
- tighten procedures to minimise the risk of fraud.

Scope of the audit

The audit is applicable to all NHS trusts, except ambulance trusts, and will include registered and non-registered nurses (healthcare assistants or nursing auxiliaries) employed indirectly via agencies and directly via a trust bank. The latter may be managed internally or contracted out. Trusts may use a number of other options for managing staffing shortfalls. These include:

- extra shifts or additional hours;
- overtime; and
- pool staff.

All will be relevant to this study.

Where there is significant use of temporary staff in other clinical disciplines (for example, locum physiotherapists and operating department practitioners) and there would be a benefit to the trust, the audit can be adapted to cover them.
How the audit will work

The audit will be tailored at each trust to those aspects that auditors and trust staff agree would benefit the trust most after initial assessment of operational and financial risks. For acute hospital trusts, the audit might be triggered by the diagnostic performance assessment in the ward staffing topic of the ‘Acute hospitals value for money portfolio’.

The standard format of a short diagnostic overview followed by main audit modules is used for this study.

A pre-audit national survey on the use and costs of temporary staff, conducted in Autumn 2000, will provide a comparative database.

A variety of approaches will be used in the audit to gain information including:
- interviews;
- contract reviews;
- bank staff survey;
- diary exercise; and
- invoice and timesheet sampling.

Following up the audit

A small number of key performance indicators that form part of the audit will be identified for follow up in future years. They are intended to provide trusts with useful information as well as indicators to monitor progress.

An assessment tool will be developed to enable auditors to follow up the audit. This tool can also be used where trusts have undertaken recent audits of bank and agency staffing and may not require a full audit.
Reviewing the use of resources

- Auditors have a statutory duty to satisfy themselves that audited bodies have made proper arrangements for securing the economic, efficient and effective use of public money.
- To discharge this responsibility, they review aspects of the arrangements put in place by audited bodies to ensure the best use of the resources at their disposal, including the use of resources in specific services and functions.
- These areas of study are selected by the Audit Commission after consultation with stakeholders, and may be applied by your auditor and adapted to reflect local circumstances.

Your local auditor is

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