CORPORATE ASSURANCE TEAM

South Yorkshire Pensions Authority
Assurance Plan: 2024/2025
Pentana Risk System - Post Implementation Review
Final Corporate Assurance Report

BARNSLEY
Metropolitan Borough Council

Date of Issue: 27th March 2025

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Key Dates

Assurance Review Stage	Date
Pre-review Meeting Date:	12th December 2024
Draft Report Issued:	27th March 2025
Draft Report Discussed:	27th March 2025
Final Report Issued:	27th March 2025

Report Distribution

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Acknowledgement

The Corporate Assurance Team would like to take this opportunity to express its thanks to the management and staff from across the organisation for their help and co-operation during the review.

Confidentiality

This report is strictly private and confidential and as such is for the exclusive use of the intended recipients. The content and results of the review should not be copied in part or in whole without the prior permission of the receiving sponsor of the report.

Corporate Assurance Methodology

The review was conducted in conformance with the Public Sector Internal Audit Standards using a combination of enquiry, observation and sample testing techniques.

Introduction and Background

A post implementation review of the Pentana Risk system has recently been undertaken. This formed part of the agreed programme of work for 2024/2025.

Objectives and Scope

Scope

To undertake a post implementation review to provide management with independent assurance that the new Pentana Risk Management system for the recording, managing, monitoring and reporting of strategic risks was fully embedded into business as usual, with roles and responsibilities being fully understood and discharged.

Objectives

The objectives specific to this review were to ensure that: -

Governance

- A Risk Management Strategy / Framework, Policy and operational procedures existed to clearly define roles, responsibilities and process requirements. These were up to date, approved by all required parties, and easily accessible to all relevant officers.
- Officers with assigned roles and responsibilities for updating, managing and monitoring the Risk Register were fully aware of and were discharging their duties and have received guidance, support and training as required.
- The risk register was aligned / linked to the Authority's strategic objectives and priorities.
- Strategic risks were reported to the Audit and Governance Committee and / or relevant Board(s) at pre-determined frequencies to enable effective monitoring and challenge. There was evidence of discussion held, with actions agreed and decisions made documented for future reference / monitoring purposes.

Controls

- The risk management arrangements provided for an efficient, effective, and user-friendly process through which key strategic risks were identified, assessed, managed and monitored in accordance with approved policies and procedures.
- A zero-based review was undertaken of all strategic risks prior to migration to the new system to ensure they remained reflective of the current risks facing the organisation.
- The strategic risk register template facilitated the identification, recording, assessment, monitoring and the timely closure (where appropriate) of risks.
- There was appropriate senior officer ownership and oversight of risks, including the evaluation of the impact, status and risk rating.
- Mitigating actions on the strategic risk register were assigned to a responsible officer(s), reflected the Authority's risk tolerance / acceptance, had achievable timescales and were capable of influencing the assessed likelihood or impact.
- Responsible officers took ownership for managing / monitoring / reviewing their assigned risks to ensure that all mitigating actions were fully addressed.

- Source documentation existed to support the existing measures recorded on the strategic risk register, the current matrix scores and the current status of mitigating and preventative measures.

Final Assurance Opinion

Based on the above review, we can provide the **Assistant Director Resources** with a **Substantial** assurance opinion in relation to the internal control framework. An explanation of the ratings is included within the Glossary of Terms.

Summary of Implications

Impact	Number	Adequacy of Controls	Application of Controls	Systems Efficiency
High	0	0	0	0
Medium	0	0	0	0
Low	1	1	0	0
Total	**1**	**1**	**0**	**0**

Positive Findings

The following areas of good practice were identified during the review:

- A Risk Management Framework exists, and it is fit for purpose.
- Roles and responsibilities for risk management are detailed in the Risk Management Framework, these were fully understood and complied with.
- The Strategic Risk Register was linked to the Authority's strategic objectives and priorities.
- The risk management system was intuitive and provided for an efficient, effective and user-friendly process to identify, assess, manage and monitor risks.
- There was a positive risk management culture with active engagement at different levels: SMT, Authority and Board meetings.
- Risks are reviewed and discussed regularly.
- Meeting minutes confirmed that the Authority and Board receive regular and detailed reports regarding the Strategic Risk Register, with challenge of the strategic risks being evident.

Overall Conclusion

The review confirmed that the Risk Management Framework is fit for purpose, with roles and responsibilities clearly defined and understood. The Strategic Risk Register is effectively linked to the Authority's strategic objectives and priorities, and the risk management system is intuitive, providing an efficient and user- friendly process for identifying, assessing, managing and monitoring risk. Training sessions have been delivered to all relevant officers on the importance of risk management within the organisation as well as utilisation of the Pentana Risk Management system.

The positive risk management culture within the Authority, with active engagement at different levels, has been a key factor in the successful implementation of the Pentana Risk Management system. Regular reviews / discussions at senior management level ensure that strategic risks are continuously monitored and challenged.

However, the review has highlighted inconsistent levels of understanding on the process to be adopted when closing a risk on the Strategic Risk Register and clarity of this process within the planned Supplementary Guidance Documentation will further strengthen the Risk Management Framework.

The following sections of the report summarise the findings of the review. Where relevant, any control weaknesses identified are outlined, including actions that have been agreed in order to address the associated risks.

1. Risk Lack of an up to date and approved Risk Management Framework (including policies and procedures), resulting in no clear guidance for officers on their roles and responsibilities. There is no clear linkage between strategic level risks and the Company's key objectives. Consequently, regulatory, and best practice requirements are not met.
Operational Guidance
1.1 Finding The Authority's Risk Management Framework consists of the processes, guidelines and best practice to manage risk effectively while ensuring compliance with relevant regulations and standards. The Framework was approved by the Audit & Governance Committee in December 2024 and consists of the following: - • Risk Management Policy Statement • Risk Management Strategy • Risk Management Process and Guidance • Strategic Risk Register • Operational Risk Register • Project / Programme Risk Registers Discussions with key officers throughout this review revealed that a number of training sessions have been delivered to Risk Owners on their roles and responsibilities in relation to updating, managing and monitoring their assigned risks and testing has confirmed that risks are reviewed / updated on a regular basis (at least quarterly).   However, further discussions revealed inconsistent levels of understanding of the process for closing a risk across the sample of Risk Owners included within the review. It is acknowledged that the Authority is currently developing guidance documentation to support the Risk Management Framework and consideration should be given to inclusion of the process for closing a risk within this guidance.
1.1.1 Implication Lack of guidance documents and operational procedures may result in inconsistencies in processes and failure to adhere to requirements of the Risk Management Framework and Pentana Risk Management system. In addition, in the absence of key staff, this could impact on business continuity.

Control/Risk Impact: Low	Control Adequacy Issue	Theme: Business Continuity and Emergency Resilience	Risk Ref:
Agreed Management Action(s) (AMA) **AMA 1:** In relation to closing risks, this wouldn't be actioned by risk owners but would be proposed by them for SMT consideration and would be actioned by the Governance team. Guidance to clarify this process will be added to the next iteration of the Risk Management Framework (October 2025) – this is the formal guidance document for all risk owners to follow. Additionally, a tailored guide to using Pentana for risk management will be produced alongside this.		**Responsible Officer** Annie Palmer, Team Leader – Governance **Target Implementation Date** 31st October 2025	

1.   <u>**Classification of Implications (Impact on control/risk)**</u>

        High   Significant impact on ensuring the objectives of the system under review are met.

        Medium   Requiring action to avoid exposure to a significant risk to the achievement of the objectives of the system under review.

        Low   Action is advised to enhance control or improve operational efficiency.

2.   <u>**Corporate Assurance Opinions**</u>

	Level	**Control Adequacy**	**Control Application**
POSITIVE OPINIONS	**Substantial**	Robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable	Sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
ADVERSE OPINIONS	**Limited**	Risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	No	Significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.