



**Ubico Limited**  
**Formal Decision Report**  
**Board of Directors – 28 July 2021**  
**Internal Audit Annual Opinion**

<b>Confidentiality</b>	<p><b>Is the subject of this paper confidential and if yes what are the reasons for the confidentiality?</b></p> <p>1. No</p>
<b>Executive summary</b>	<p>The purpose of the annual Internal Audit Opinion is to contribute to the assurances available to the managing director and the board which underpin the board's own assessment of the effectiveness of the company's system of internal control. This opinion is one component that the board must take into account when considering and evaluating the company's governance arrangements.</p> <p>Throughout the year internal audits have measured the degree of control assurance within the systems or elements of systems audited or supported by way of control advice.</p> <p>The overall opinion is that:</p> <p>Ubico Ltd has a satisfactory overall control environment.</p> <p>During 2020/21, 100% of the audited areas rated the effectiveness of risk management as satisfactory.</p> <p>The Risk &amp; Audit Committee endorses the attached reports opinion.</p>
<b>Recommendations</b>	<p><b>I recommend that Board:</b></p> <p>1. Formally accept the Annual Audit Opinion as presented by the chief internal auditor of ARA in their role as Ubico's internal audit provider.</p>

<b>Links to key risks:</b>	This document covers all risk categories.
<b>Link to business Plan Objective(s)</b>	This document covers all plan objectives.

<b>Details of known implications</b> (e.g. H&S, HR, Finance, Legal, Environmental)	
<b>Finance implications</b>	None arising directly from this report.  <b>Contact officer: Chris Urwin</b> <b>Chris.urwin@ubico.co.uk</b> <b>Tel: 01242 387702</b>
<b>Legal implications</b>	Internal audit forms part of the corporate governance arrangements of the company. Internal reports provide assurances to the board that effective internal processes are in place and any issues identified are properly addressed by the company.  <b>Contact officer: Shirin Wotherspoon</b> <b>shirin.wotherspoon@tewkesbury.gov.uk</b> <b>Tel: 01684 272017</b>
<b>HR implications</b>	None arising directly from this report.  <b>Contact officer: Julie McCarthy, HR Manager</b> <b>julie.mccarthy@publicagroup.uk</b> <b>Tel: 01242 264355</b>
<b>Risk &amp; Audit Committee implications</b>	The Risk & Audit Committee endorses the attached reports opinion.  <b>Contact officer: Katherine Lyons, Risk And Audit Committee chair</b>

## **1. Background**

1.1 ARA provide Ubico's internal audit service. A significant part of the modern role of the service is the provision of a broad control evaluation function, by either offering or supporting control assurances gained through activities like risk management, performance management, complaints systems and external inspection.

1.2 In accordance with national internal audit standards, the chief internal auditor is required to provide an annual opinion, based upon, and limited to, the work performed, on the overall adequacy and effectiveness of the organisation's control arrangements. The attached Audit Opinion Report (appendix 1) fulfils this requirement.

## **2. Reasons for recommendation**

2.1 It is a management responsibility to develop and maintain the internal control framework and to ensure compliance with it. The Ubico board of directors has taken upon itself the responsibility for fulfilling the function of the company's Risk & Audit Committee and therefore for obtaining assurance in respect of the control environment operating, part of which comes from the work and opinion of internal audit.

2.2 The Risk & Audit Committee endorses the attached reports opinion.

## **3. Report details**

3.1 Good practice guidance suggests that the Internal Audit Annual Report should include the key areas of:

- An opinion on the overall adequacy and effectiveness of the control environment.
- A summary of the work from which the opinion is derived.
- Comment on compliance with the public sector internal audit standards.

3.2 The report at appendix 1 makes comment on each of these and a number of other matters.

<b>Report author</b>	Chris Urwin, Finance Director Ubico
<b>Appendices</b>	Appendix 1 - Audit Opinion Report