

**OLYMPIC LOTTERY DISTRIBUTOR
SUMMARY OF THE MINUTES OF THE
8th MEETING OF THE
AUDIT COMMITTEE HELD ON
30 October 2008
of the offices of the OLD, 1 Plough Place,
London EC4A 1DE**

Present:

Janet Paraskeva

Sir Craig Reddie

Hilary Daniels (Chair)

Mike O'Connor (Chief Executive)

Ian Brack (Director of Policy)

Ros Francis (Head of Finance and
Corporate Services)

Bernadette Wallis (Secretary to the Board)

In attendance:

Paul Oliffe, NAO

Anna Lancefield, RSM Bentley Jennison

Joe Hime, RSM Bentley Jennison

1. Apologies for Absence

Apologies for absence were received from Sharmila Nebhrajani and David Ross.

Damian Brewitt, National Audit Office, had also sent apologies.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of the Audit Committee meeting held on 24 June 2008

The minutes were agreed and signed as an accurate record of the proceedings.

4. Matters arising from the Audit Committee meeting held on 24 June 2008

There were no outstanding recommendations from the meeting held on 24 June 2008.

The Committee noted that the Action Follow up sheet now highlighted outstanding internal audit recommendations.

5. Internal Audit Progress Report

The Committee welcomed Anna Lancefield and Joe Hime to the meeting to present the report.

Two internal audits had been carried out since the last Audit Committee meeting: IT Service Provision and Reputation and Communications. There had been seven recommendations from the IT Service Provision Internal Audit all of which were categorised as 'Merits Attention'.

The Audit Committee noted the Management Action to be taken as a result of these recommendations. The following recommendations had already been implemented:

Recommendation 3.2 (service level agreement to append to the website hosting contract)

Recommendation 3.3 (re website downtime and statistics on downtime)

Recommendation 3.5 (BLF changes to mapping and user accounts)
Recommendation 3.7 (re security arrangements for the OLD website)

The Reputation and Communications Audit had resulted in 'Substantial Assurance' and three recommendations with a 'Merits Attention' categorisation. The following recommendations had already been implemented:

Recommendation 2a (re local news articles)
Recommendation 2b (re recording of press coverage and tracking of trends)

Outstanding recommendations from both audits would be recorded in the appropriate section of the Action Follow up sheet.

The Committee noted the action that was being taken in respect of the Internal Audit Recommendations and thanked RSM Bentley Jennison for the update.

6. External Audit – IFRS – verbal update

The Committee welcomed Paul Oliffe, National Audit Office, to the meeting to update the Committee on this item. A letter from Damian Brewitt, National Audit Office, on IFRS: Restatement Audit, had been tabled at the meeting.

The letter related to the transition of financial reporting from UK GAAP to International Reporting Standards in April 2010 and the setting of 'trigger points' as part of this transition. The OLD had met the first deadline set by the Treasury which was requiring departments by 30 September 2008 to restate their balance sheets as at 1 April 2008 based on the IFRS.

The National Audit Office (NAO) had been carrying out an audit of the work completed by the OLD that week and had identified no significant issues. It appeared to the NAO that the move to IFRS would impact little on the OLD. The NAO would be reporting formally back to the OLD in due course.

The Committee thanked Paul Oliffe for the update.

7. Risk Management Meeting

The Audit Committee had received an update paper and the updated Risk Register and Action Plan. The Audit Committee noted the amendments that had been made to the Risk Register and Action Plan including a new risk relating to potential changes in the scope of the Olympic project.

The post mitigation scores of some risks had been reduced to reflect actions that the OLD had in place to counter these risks.

The OLD had discussed reputational risk at both Risk Management meetings and the impact of the Beijing Games which had generated mostly positive publicity. More latterly recent press coverage around the Olympic Village and the IBC/MPC was more negative.

There was current uncertainty around the longer term accommodation of the OLD and the Chair of the Committee felt that this warranted a new risk to be split out from the more general resourcing risk. An OLD requirement to move office would not only affect the organisation in terms of accommodation but there were also systems issues to be considered.

An additional risk would be added to the Risk Register and Action Plan.

Bernadette Wallis

Ros Francis would work on a paper to communicate the implications and actions in more detail.

Ros Francis

In respect of Risk 8 (legislation/records and data protection) the Committee noted that the OLD was now fully recognised under the FOI Act. The Committee asked about the OLD's Publications Statement, a draft of which had been approved by the OLD Board shortly after its inception. The Publications Scheme set out information that was **readily** available to members of the public and also how members of the public could make requests for information from the OLD under the FOI Act. New rules were coming into effect from January 2009 which meant that all bodies covered by the Act would need to adopt a standard Publications' Scheme. In respect of a charging strategy, there was provision under the Act for charging if costs generated by an enquiry were felt to be significant. Bernadette Wallis would circulate a copy of the current Publications' Scheme and also the ICO standard Publications' Scheme to the Audit Committee with a covering note on background to implementation.

Bernadette Wallis

Date of next meeting: Thursday, 19 February 2009