

The Board for the Olympic Lottery Distributor (OLD or the Distributor) has established an Audit Committee to support them and the Accounting Officer in their responsibilities for issues of risk, control and governance and associated assurance.

### **Membership**

The members of the Audit Committee are the Non-executive Board members:

Carol Ainscow  
Hilary Daniels  
Lindsay Holbrook  
Alyson Coates – Independent External Member

Other attendees:

- *Chief Executive*
- *Head of Finance and Corporate Services*
- *Internal Auditors*
- *Director (or nominee) from National Audit Office*

The Audit Committee will be Chaired by Hilary Daniels

The Audit Committee will be provided with a secretarial function by the OLD Board Secretary.

### **Meetings**

The Audit Committee will meet at least twice a year. The Chair of the Audit Committee may convene additional meetings as they deem necessary. A minimum of two members of the Audit Committee will be present with the Chair of the Audit Committee for the meeting to be deemed quorate.

Audit Committee meetings will normally be attended by the Accounting Officer, the Head of Finance and Corporate Services, the Head of Internal Audit, and a representative of External Audit.

The Audit Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.

The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

The Accounting Officer or Board may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

### **Access**

The Internal Auditors and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee. In addition they will meet the Audit Committee at least once a year, without management being present, to discuss their remit and any issues arising from the audits carried out.

### **Reporting**

The minutes of the Audit Committee will be circulated to the Board after each meeting.

## **Responsibilities**

The Audit Committee will advise the Accounting Officer and Board on

- the strategic processes for risk, control and governance and the Statement on Internal Control
- the accounting policies, the accounts, and the annual report of the organisation, including
  - the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
  - the consistency of, and any changes to, accounting policies on a year on year basis;
  - the methods used to account for significant or unusual transactions where different approaches are possible;
  - whether the Distributor has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
  - the clarity of disclosure in the Distributor's financial reports and the context in which statements are made; and
  - whether all material information presented with the financial statements, such as the operating and financial review, the remuneration report and the corporate governance statement (insofar as it relates to the audit and risk management);
- the planned activity and results of both internal and external audit
- adequacy of management response to issues identified by audit activity, including external audit's management letter
- assurances relating to the corporate governance requirements for the organisation
- proposals for tendering for Internal Audit services or for purchase of non-audit services from contractors who provide audit services

## **Whistleblowing**

The Committee shall review the Distributor's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

## **Information requirements**

The Audit Committee will be provided with:

For each meeting:

- A report summarising any significant changes to the organisation's Risk Register
- A progress report from the Head of Internal Audit summarising work performed (and a comparison with work planned)
- key issues emerging from Internal Audit work
- management response to audit recommendations
- changes to the Periodic Plan
- any resourcing issues affecting the delivery of Internal Audit objectives
- A progress report from the External Audit representative summarizing work done and emerging findings.

As appropriate

Revised Jan 09

- \_ Proposals for the Terms of Reference of Internal Audit
- \_ The Internal Audit Strategy
- \_ The Head of Internal Audit's Annual Opinion and Report
- \_ Quality Assurance reports on the internal audit function
- \_ The draft accounts of the organisation
- \_ The draft Statement on Internal Control
- \_ A report on any changes to accounting policies
- \_ External Audit's management letter
- \_ A report on any proposals to tender for audit functions
- \_ A report on co-operation between Internal and External Audit

#### Other Matters

The Committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the Distributor's secretariat for assistance as required;
- be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.