

County Councillor T Brown
Audit and Governance Committee Chair
Lancashire County Council
PO Box 100
Preston
PR1 0LD

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB
T +44 (0)161 953 6900

www.grant-thornton.co.uk

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Dear County Councillor Brown

Lancashire County Council and Lancashire County Pension Fund Financial Statements for the year end 31 March 2015
Understanding how the Audit and Governance Committee gains assurance from management

To comply with International Auditing Standards, each year we need to confirm our understanding of how the Audit and Governance Committee gains assurance over specific management processes and arrangements.

I would be grateful, therefore, if you could write to me with your responses to the following questions.

- 1 How does the Audit and Governance Committee oversee management's processes identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks
- 2 Do you have knowledge of any actual, suspected or alleged frauds? If so, please provide details.

A response by 22 June would be much appreciated, which we can then include on the agenda of the meeting of the Audit and Governance Committee on 29 June, but please contact me if you wish to discuss anything in relation to this request.

Yours sincerely

Caroline Stead
Senior Manager
For Grant Thornton UK LLP