**Audit and Governance Committee**

Meeting to be held on 30 June 2016

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| Electoral Division affected:All |

**Response of the Audit and Governance Committee Chair to Grant Thornton's request for information to support its compliance with International Standards on Auditing**

(Appendices ‘A’ and 'B' refer)

Contact for further information:

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| Executive SummaryThe external auditor, Grant Thornton, is obliged to comply with International Auditing Standards and, although it has a good understanding of how the Audit and Governance Committee gains assurance over management processes and arrangements, it is required formally to update this understanding annually.The Chair of the Audit and Governance Committee has been asked to provide information in respect of Lancashire County Council relating to:* fraud and internal control;
* laws and regulations; and
* litigation and claims.

The letter from Grant Thornton is attached at Appendix A. A response has been prepared for consideration by the committee and is attached at Appendix B. RecommendationIt is recommended that:1. The response attached at Appendix B is considered and approved.
2. The Chair of the Audit and Governance Committee be authorised to sign the response on behalf of the committee.
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**Background and advice**

The external auditor, Grant Thornton, is obliged to comply with International Auditing Standards and, although it has a good understanding of how the Audit and Governance Committee gains assurance over management processes and arrangements, it is required formally to update this understanding annually.

The Chair of the Audit and Governance Committee has been asked to provide information in respect of Lancashire County Council relating to:

* fraud and internal control;
* laws and regulations; and
* litigation and claims.

The letter from Grant Thornton is attached at Appendix 'A'. A response has been prepared for consideration by the committee and is attached at Appendix 'B'.

**Consultations**

N/A

**Implications**

This item has the following implications, as indicated:

**Risk management**

This letter will provide supporting evidence to Grant Thornton in determining its opinion on the financial statements of the County Council for 2015/16.

##### Local Government (Access to Information) Act 1985

##### List of Background Papers

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| Paper | Date | Contact/ Directorate/ Ext  |
| N/A |  |  |
| Reason for inclusion in Part II, if appropriate: N/A. |