



LANCASHIRE
COMBINED COUNTY
AUTHORITY

Counter Financial Crime Policy

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Contents

1. Introduction.....	4
2. Reporting suspected financial crime	5
3. What to do when receiving a report of suspected financial crime	6
4. Investigating financial crimes	7
5. Recovery and Sanctions	8

1. Introduction

Lancashire Combined County Authority (LCCA) is committed to a zero-tolerance approach to financial crime, from both internal and external sources. It is committed to the highest possible standards of propriety and accountability in all its affairs.

In line with this commitment, this policy outlines our principles in relation to preventing, reporting and managing financial crime.

The overall objective is to limit the authority's exposure to financial crime, minimising associated financial loss and potential reputational damage. Through the strategic implementation of this policy, the authority aims to:

- Create and embed a best in practice counter financial crime culture across all areas of the authority and nurture an environment where everyone feels able to speak out safely when they suspect wrongdoing (supplemented by the whistleblowing policy);
- Better understand the financial crime risks facing the authority;
- Implement measures to deter, prevent and detect financial crime.
- Promptly and professionally investigate alleged or detected financial crime; and
- Impose appropriate sanctions and seek redress where financial crimes are proven.

This policy is one of a suite of documents that collectively constitute the policies of the authority in relation to preventing and detecting financial crime. The other key documents include:

- Local code of corporate governance
- Finance regulations
- Procurement standing orders
- Member's code of conduct
- Code of conduct for employees
- Anti-money laundering policy
- Whistleblowing policy

The detection, prevention and reporting of financial crime is the responsibility of everybody who works for, supports or represents the LCCA. This includes members and officers of the authority. Financial crimes may be committed both from within the authority and externally. Financial crime may be complex or simple; opportunistic, pre-planned or continuous. Therefore, this policy ensures a structured and consistent approach is implemented by the authority for the investigation of any cases of financial crime.

Financial crimes encompass a wide range of illegal activities that involve the unlawful conversion of property ownership for personal gain. These crimes can be committed by individuals, organisations, organised crime groups and even state backed criminality. Common types of financial crimes that may pose a risk to LCCA include but are not limited to:

- **Fraud:** Deceptive practices intended to secure unfair or unlawful financial gain against a public body this can include but is not limited to grants, procurement, payroll, and expenses. These can undermine public trust and deplete resources meant for community development.
- **Money Laundering and Terrorism Financing:** The authority could be used for money laundering in various ways, often exploiting the financial transactions and services that the authority handles.
- **Cyber Fraud:** Hacking, phishing, and other cyber-attacks aimed at stealing sensitive information or funds and holding organisations to ransom.
- **Bribery and Corruption:** Can lead to unfair business practices and a lack of confidence in the authority, hindering economic growth and development.
- **Identity Theft, CEO fraud or whaling:** In these scams, fraudsters impersonate high-ranking executives, such as CEOs or CFOs, to trick employees into transferring money or disclosing sensitive information.

Financial crimes can have severe consequences, including significant financial losses for individuals, businesses, and governments, as well as broader economic impacts.

2. Reporting suspected financial crime

Every authority employee and member of the LCCA has an obligation to report any allegations or suspicions of financial crime. The authority places an expectation on all its employees and members to report any allegations as soon as is practically possible.

The first step for an employee is normally to raise concerns with their immediate supervisor/ manager. However, this may depend on the seriousness and sensitivity of the issues and who is believed to be involved. For example, if it is believed that management is involved, then a more senior level of management should be approached within the service. An employee may also invite their trade union or professional association to raise a matter on their behalf.

The authority also provides an alternative way to report concerns or suspicions via the authority's whistleblowing reporting procedures, as outlined in the whistleblowing policy. Whilst total anonymity cannot be guaranteed, every effort will be made not to reveal the name of the whistleblower. However, if criminal activity is found and the case is

forwarded to the police or other law enforcement agencies, and or the suspected criminals are prosecuted in court then their identity may be needed later.

If a person feels that they cannot approach management and still want to raise their concerns, the following options are available:

- Email: confidentialreporting@lancashire-cca.gov.uk
- Online referral form, accessed here: [Contact | Lancashire Combined County Authority](#)

Concerns can also be made in writing and correspondence should be sent to:

Lancashire Combined County Authority,
County Hall,
Preston,
PR1 8XJ

3. What to do when receiving a report of suspected financial crime

If you receive a report of a concern either as manager by a member of staff, or as a member of the LCCA you should.

- Listen to the concerns and treat every report seriously, sensitively and confidentially.
- Reassure staff that their concerns will be taken seriously and passed on to be investigated.
- Ask the person for current contact details and ask them how they want to be contacted.
- Obtain as much information as possible from the member of staff, including any notes or evidence to support the concern. Do not interfere with this evidence and ensure it is kept securely.
- Do not attempt to investigate the matter yourself or attempt to obtain any further evidence.
- Do not ask anyone else to investigate the matter or to attempt to obtain any further evidence for you.
- Do not make assumptions on a person's guilt or innocence.
- Report the matter immediately to Internal Audit or email confidentialreporting@lancashire-cca.gov.uk

4. Investigating financial crimes

The Authority will investigate allegations or suspicions of financial crimes being committed without fear or favour regardless of who the suspected criminal may be. The action taken by the authority will depend on the nature of the concern. The matter raised may be investigated internally or referred directly to the police.

All internal investigations will normally be led by the internal audit team, and each case will be judged on its merit. The purpose of any investigation shall be to:

- Establish the facts of any suspected financial crimes in order to inform decisions regarding further action;
- Clear innocent persons of any suspicion;
- Enable the recovery of losses;
- Assist with the prosecution and sanction of offenders; and
- Improve systems and controls to prevent and deter financial crimes in the future.

The Head of Internal Audit will assign the investigation to a lead officer who is suitably qualified and experienced. The officer will ensure that the investigation is conducted impartially and objectively, and will, as appropriate:

- Determine and plan the resources needed for the investigation;
- Comply with all relevant statutory requirements, codes of practice, and the ethical standards of relevant professional bodies;
- Deal promptly with the matter and take into consideration the security of evidence and assets;
- Access any authority systems/data required as part of their obligation to investigate all reasonable lines of enquiry;
- Establish the facts and secure and record evidence;
- Interview witnesses and obtain statements;
- Interview suspects in line with the Police and Criminal Evidence Act 1984; and
- Report on the findings.
- If necessary, prepare a file for prosecution and or implement the authority's disciplinary procedures.

A case file including an investigation report will be prepared at the conclusion of the investigation and will be available as evidence in any disciplinary hearing, tribunal, or court case. The results of an investigation will be confidential and will not be discussed or disclosed to anyone other than those who have a legitimate need to know.

All employees have a duty to protect the authority against all forms of crime. The authority places an expectation on everyone to assist with any investigations into potential

wrongdoing. This includes when necessary, providing witness statements. Failure to assist an investigation without good reason could result in disciplinary action.

It is important that all witnesses or other parties (who are aware of an ongoing investigation) always maintain confidentiality. It is important that the case/matter is not discussed or any potential suspects are alerted of the investigation. Failure to do this is a serious matter and could seriously undermine an investigation and could result in disciplinary action.

5. Recovery and Sanctions

The authority will use the full range of sanctions available to deter financial crime including, fraud, bribery, corruption, money laundering, and any other associated offences. These sanctions may include criminal prosecution, civil recovery, internal discipline, and referral to professional bodies. The authority will utilise its own Legal Services or agent solicitors or the Crown Prosecution Service, when possible, to conduct prosecutions where appropriate. The authority will refer matters to the police and other law enforcement agencies or regulators where appropriate and support those agencies in bringing proceedings.

Where an investigation indicates financial crimes have been committed, the authority will use the full range of sanctions available to it, including criminal prosecution, civil recovery, internal discipline and referral to other law enforcement agencies and professional bodies to deter financial crimes and any other associated offences.

If a case is to be referred to the police or other law enforcement agencies for investigation. This may subsequently result in referral to the Crown Prosecution Service or another prosecutor. The decision to refer cases to the police or take other actions will normally be made by the Head of Internal Audit. This decision may be taken in consultation with the Monitoring Officer and/or the Chief Executive Officer. Other actions that may be taken by the authority include:

- Instigating prosecution proceedings with LCCA acting as the prosecution body.
- Civil recovery or debt collection proceedings to recover the loss (including the cost to the authority for investigating the case);
- Referral to other agencies, regulators, or professional bodies.
- Disciplinary proceedings.
- Pension forfeiture; or
- A combination of any of the above

The authority's disciplinary procedures will be used where the outcome of an investigation indicates improper behaviour. This may be in addition to any other recovery action or criminal sanction. The instigation of prosecution proceedings or a referral to

the police or other law enforcement agencies will not prohibit action under the disciplinary procedure.