

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE 26/11/2019

Title:

TAX STRATEGY – REVISED (SUPERCEDES 10/09/18 VERSION)

[Portfolio Holder: Cllr Merryweather]

[Wards Affected: N/A]

Summary and purpose:

The Council is required to have in place a Tax Strategy to fulfil its responsibilities under the Legislation in Criminal Finances Act 2017, and to undertake to respond appropriately to the Corporate Criminal Offence guidance from HMRC issued September 2017.

How this report relates to the Council's Corporate Priorities:

Equality and Diversity Implications:

The Tax Strategy supports the delivery of strategic objectives through the prevention of criminal activity from tax evasion.

Financial Implications:

The Council is accountable for the correct treatment of tax with regard to all financial transactions undertaken. It has to have in place appropriate policies and procedures to *mitigate the risk of tax evasion*.

Legal Implications:

The Council has to comply with the Legislation in Criminal Finances Act 2017 and to respond appropriately to the Corporate Criminal Offence guidance from HMRC issued in September 2017.

Background

1. The Government believes that relevant bodies should be criminally liable where they fail to prevent those who act for them, or on their behalf, from criminally facilitating tax evasion. HM Revenue and Customs (HMRC) issued guidance in September 2017 on the legislation for corporate offences of failure to prevent the criminal facilitation of tax evasion. In order to demonstrate that the Council acknowledges its responsibilities with regard to tax it undertakes to prepare an annual Tax Strategy.
2. The guidance issued by HMRC focuses on the failure to prevent crimes with regard to tax of those who act for or on behalf of the Council and determines that it should be easier to hold to account and attribute criminal liability to the relevant body (The Council) for the criminal acts of employees, agents or those that provide services for it or on its behalf.

3. The guidance has six principles to help relevant bodies understand the processes and procedures that can be put in place to prevent criminal activity with regard to tax. These principles are addressed in the Tax Strategy and are to be applied proportionately to the perceived risk of the offence.
 4. The Tax Strategy details the perceived risk of tax irregularities and documents the Council's relevant policies and procedures to be complied with, which are applicable to all those involved in financial transaction for the Council, to prevent offences occurring.
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Recommendation

That the Audit Committee considers the attached Tax Strategy and passes any comments and observations to the Executive.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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