

**ANGUS COUNCIL**

**POLICY AND RESOURCES COMMITTEE – 29 AUGUST 2023**

**APPROVAL OF AN ANTI-TAX EVASION POLICY**

**REPORT BY IAN LORIMER, DIRECTOR OF FINANCE**

**ABSTRACT**

This report presents and seeks approval for an Anti-Tax Evasion Policy for the Council in compliance with best practice.

**1. RECOMMENDATION(S)**

It is recommended that the Committee reviews and approves the Anti-Tax Evasion Policy (Appendix 1).

**2. ALIGNMENT TO THE COUNCIL PLAN**

2.1 This report supports the Council's priority to be efficient and effective by seeking to ensure that Council business will be conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.

**3. BACKGROUND**

3.1 The Criminal Finances Act 2017 (CFA) created corporate offences where a person associated with a body corporate facilitates the commission by another person of a tax evasion offence. Although it is not entirely clear that the legislation applies to local authorities, it is considered that HM Revenue and Customs is likely to regard a local authority as a body corporate.

3.2 The Council is required to take measures to prevent tax evasion and our corporate governance arrangements and other policies support this in general terms. It is however considered that a specific policy and associated actions would bring the Council into line with best practice in this area. The Council having put in place a system of reasonable procedures that identify and mitigate the risk of facilitating tax evasion can cite such a policy as a defence against a corporate prosecution. The proposed Policy (Appendix 1) would serve as a reasonable procedure to identify and mitigate the tax evasion facilitation risk.

3.3 The following action plan will ensure the effective implementation of the Policy and the preventative processes and procedures. The owner of each action is the Team Leader – Counter Fraud.

<b>Area</b>	<b>Action</b>	<b>Comment</b>
Risk Assessment	Service survey	Develop and issue a survey to assess service risk.
Proportionality	Risk assessment	Incorporate the risk of facilitating tax evasion into the Risk Management Process and interactive Angus Council Risk Summary.
Due diligence	Review	Review practices and controls in respect of transactions including those of high value.
Communication	eLearning module	Devise and launch an eLearning course to provide appropriate training and awareness to officers.
Monitoring and review	Policy maintenance	Ensure the Policy is reviewed and updated as required.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no financial implications arising directly from this report. Failure to comply with the CFA could however result in penalties for the Council so the Policy and actions arising from it will reduce this financial risk for the Council. It is also important to note that tax evasion removes funding from the public purse which might otherwise be used to support public services including those provided by the Council. Preventing tax evasion is therefore important to the Council's financial position in general terms.

#### **5. EQUALITY IMPACT ASSESSMENT**

- 5.1 An Equality Impact Assessment has been completed.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

**REPORT AUTHOR:** Ewan Ritchie, Team Leader – Counter Fraud

**EMAIL DETAILS:** [ChiefExec@angus.gov.uk](mailto:ChiefExec@angus.gov.uk)

Appendix 1 – Anti-Tax Evasion Policy