

Criminal Finance Act Policy

Background

The Criminal Finance Act 2017 includes the Corporate Criminal Offence of failure to prevent the facilitation of tax evasion. The legislation applies to all business and all taxes.

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The risk that the College fails to prevent someone acting in their capacity as associated persons from fraudulently facilitating criminal tax evasion

Raw assessment of the risk (i.e. without controls in place)

The College incorrectly classify goods and services provided as either outside or within the scope of VAT either because VAT cannot be recovered or to facilitate VAT reclaim.

Impact	Very high (4)
Likelihood	Medium (2)
Raw Risk score	High (8)

Current Mitigating Actions (Controls)

Control measures or actions already in place to minimise the impact of the risk or the likelihood of the risk occur
 There is a top-level commitment within the College to embed processes which will help eliminate opportunities for facilitating tax fraud and this is followed through to the areas where decisions are made and actions are taken.

Controls

- x Financial controls are reviewed annually by external auditors anti-bribery and money laundering policies are in place. The Bursar and Finance Manager are alert to the dangers of fraud, and Finance Office staff receive regular training
- x Heads of Department take reasonable care to determine the tax status of workers by preparing status assessments using HMRC's Check Employment Status for Tax (CES) tool
- x Supervisions and any other academic related activities that are not paid via the payroll are recorded in the Colleges' Administration Software Consortium Payment Preparation System which is used to generate annual returns to HMRC.
- x Commercial customers complete a VAT Exemption Declaration if appropriate. Sales order and sales invoice duties are separated and invoices are checked against contract terms.

