



Criminal Finances Act Policy: Failure to Prevent the Facilitation of Tax Evasion



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1 Introduction

- 1.1 The Criminal Finances Act (CFA) 2017 came into force on 30 September 2017. Part 3 of the Act introduces a new 'corporate criminal offence of the failure to prevent the facilitation of tax evasion'.



3.2 The University has a number of processes and policies, which will ensure that steps are taken to prevent the facilitation of tax evasion by its staff and associates. These cover the following subjects:

- x Procurement Policy
- x Counter Fraud, Bribery and Money Laundering Policy
- x Staff Travel, Business Expenses and Corporate Credit Card Policy
- x Raising Serious Concerns at Work - Whistleblowing Policy
- x Financial Regulations

3.3 All other policies can be found on our Finance Connect page.

4 Responsible officer

4.1 The University has nominated the Chief Finance Officer as the key officer responsible the CFA 2017 within the organisation.

4.2 The university has also nominated the Head of Taxation Services as the officer responsible for information, training and general queries on the CFA, who is known as the 'point person'

5 Publication of guidance

5.1 The University regularly reviews guidance and legislation in relation to CFA 2017 to ensure it is maintaining an appropriate CFA 2017 policy.

6 Risk assessment

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	Risk owner	Key Risk	Risk description	Mitigating Actions / Controls in Place
5.	Line manager / budget holder / Payroll	ET2	Employee authorises an expense claim knowing that the claimant may use the originals to support a tax reclaim	<ul style="list-style-type: none"> x Appropriate procedures in financial regulations regarding evidencing expenses claims x Training on CCO to supplement existing knowledge
6.	Budget holder / line manager	CT / VAT	Employee accepts to pay on entity knowing that goods / services have been provided by another entity and that the purpose of the change is to evade / avoid tax	<ul style="list-style-type: none"> x Appropriate procedures to ensure that the payment details match the supplier x Any requests for payment elsewhere should be escalated x Training for Accounts Payable on issues and processes x Internal audit review to identify gaps
7.	Research Office	VAT 1	Employee colludes with another university / third party to mis-describe services as outside the scope e.g. grant funding rather than a taxable supply of research services where VAT cannot be recovered	<ul style="list-style-type: none"> x Separation of duties between purchase order creation and validation of purchase invoice x Appropriate procedures and training for staff
8.	Research office / Line manager	VAT 2	Employee agrees to mis-describe services provided to a third party in order to facilitate a VAT reclaim by them	<ul style="list-style-type: none"> x Validation of sales invoices against contract terms x Appropriate procedures and training for staff
9.	Faculty / line manager	VAT 3	Employee agrees to mis-describe goods being exported so that lower rate of customs duty / VAT become payable on import by a customer	<ul style="list-style-type: none"> x Separation of duties between creation of sales order and validation of sales invoice x Financial regulations to include reference to improper conduct
10.	Budget holder	VAT 4	Employee authorises a VAT invoice from a supplier knowing that they are not VAT registered	<ul style="list-style-type: none"> x Appropriate procedures regarding the inclusion of a VAT registration number into processes x Training on CCO to supplement existing knowledge



	Risk owner	Key Risk	Risk description	Mitigating Actions / Controls in Place
11.	Budget holder / line manager	VAT 5	Employee buys goods for personal use through a university account and issues a certificate for charitable relief	x Appropriate procedures in Finance Regulations regarding purchase of items for personal use x