Tax Governance Strategy

Applicable to Financial Year 2017/18
Published in accordance with Paragraph 16 of Schedule 19 to the Finance Act 2016.

Aim

The University aims to observe and comply with all tax legislation relevant to the University and its subsidiaries, including the timely, accurate submission of returns and payment of all taxes due.

Responsibility

The Finance Director has overall responsibility for implementing the tax strategy and ensuring appropriate levels of control are in place. Operationally, this is delegated to the Financial Controller who manages Financial Services where tax is dealt with on a day to day basis by the Tax and Payroll teams.

Objectives

The aim is to be achieved by adopting the following strategy:

1. Adopting a risk based approach to tax management. Identifying and managing tax risks by ensuring appropriate controls are in place.

2. Providing internal guidance and training to those who take tax decisions

3. Achieving a low risk profile with HMRC who are seeking openness and cooperation in addition to reliable governance, systems and control.

4. Minimising the University’s tax liability through sound tax management and implementing methods that are not abusive

5. Employing a tax team with suitable knowledge and experience and seeking external advice for more complex issues or where it is more economical to use external resources.
Tax Governance Process

The actions required to meet the objectives are:

1. Adopting a risk based approach to tax management. Identifying and managing tax risks by ensuring appropriate controls are in place.
   a) Identify tax risks and prioritise according to value and likelihood
   b) Implement and maintain control mechanisms to minimise risk

2. Providing internal guidance and training to those who take tax decisions
   a) Maintain appropriate financial procedures
   b) Maintain Tax section of Finance website
   c) Train those involved in taking tax decisions where necessary
   d) Operate a VAT helpline for University colleagues
   e) Issue VAT newsletters
   f) Provide advice on employment status

3. Achieving a low risk profile with HMRC who are seeking openness and cooperation in addition to reliable governance, systems and control.
   a) Share information with HMRC, facilitating a transparent, cooperative working relationship
   b) Document and maintain procedures and controls

4. Minimising the University’s VAT and Corporation Tax liability through sound tax management and implementing methods that are not abusive
   a) Utilise subsidiaries and gift aid to minimise CT liability
   b) Utilise reduced rate VAT on fuel and power
   c) Review capital projects for possible zero rating/medical and disability exemptions

5. Employing a tax team with suitable knowledge and experience and seeking external advice for more complex issues or where it is more economic to use external resources.
   a) Dedicated tax team in Financial Services
   b) Ensure CPD of tax team
   c) Participate in BUFDG tax events and Northern Universities tax group
   d) Engage professional tax advisers on an annual retainer fee
   e) Foster good working relationships with HMRC advisors