



Response from ICAS

**Powers and Safeguards: views on Data and
Transparency**

19 August 2020

About ICAS

1. The Institute of Chartered Accountants of Scotland ('ICAS') is the world's oldest professional body of accountants. We represent over 22,000 members working across the UK and internationally. Our members work in the public and not for profit sectors, business and private practice. Approximately 10,000 of our members are based in Scotland and 10,000 in England.
2. ICAS has a public interest remit, a duty to act not solely for its members but for the wider good. From a public interest perspective our role is to share insights from ICAS members into the many complex issues and decisions relevant to Chartered Accountants.

General comments

3. We welcome the opportunity to comment on HMRC data and transparency, in response to questions circulated as part of the Powers and Safeguards Evaluation forum. The questions were originally issued in February 2020 which gave us the opportunity to discuss them with members, at the February meetings of our tax committees. We also covered some aspects of the questions with our Tax Board, in discussions about our response to the consultation on the HMRC Charter.
4. To improve trust in HMRC we believe it is essential that HMRC improves access to information it already makes available and publishes additional data to support a meaningful assessment of HMRC's performance against detailed service levels set out in a new HMRC Charter. This assessment would be published in the annual Charter report. Combined with the Adjudicator's annual report this would give an improved level of transparency around HMRC's performance, which is vital to improving taxpayer confidence.

Specific questions

Question 1 - Do you know where HMRC publishes information and how to access it?

5. ICAS is aware of a wide range of information published by HMRC on GOV.UK. As a professional body and with our public interest remit, we believe it is important that HMRC data should be publicly available, to provide important statistics about tax receipts and taxpayers - and so that HMRC can be held to account for its performance in providing services to taxpayers and agents.
6. Sources of HMRC information we access include:
 - [HMRC Statistics](#) (information about tax receipts, cost of tax reliefs and taxpayers);
 - [HMRC monthly performance reports](#) (monthly summaries of how HMRC has performed against its customer service targets);
 - [HMRC quarterly performance reports](#) (HMRC performance against priority objectives);
 - [Measuring tax gaps](#) (HMRC's estimate of the tax gap across all taxes and duties it administers); and
 - [HMRC's Annual Report](#) (Includes commentary and analysis of data, covering many aspects of HMRC's work).
7. We cannot be certain that we are aware of all the data HMRC publishes because of the poor navigation and search functionality on GOV.UK, and the lack of any central listing of data published. Some of the sources listed above are discussed at HMRC stakeholder forums, which undoubtedly helps to raise awareness amongst forum members and professional bodies. However, we have found that where we do not access specific information regularly, it can sometimes be difficult to locate, even though we know it has been published. It is therefore possible that we are unaware of some information which HMRC already makes available.
8. Feedback from our members (working in practice and in industry) indicates that their main issue is that the performance and statistical data HMRC publishes is not well publicised or easily accessible. Awareness of what is available amongst the general public is likely to be very low.

Question 2 – Do you think if HMRC published further data it would improve your understanding of how HMRC uses its powers and the operation of taxpayer safeguards?

9. Yes, we believe that publication of further data would be useful, but it is essential that access to published data is improved – and that awareness of what is published is raised. It would be very helpful

if there was a central hub online, from which all HMRC published data could be accessed – or at least a central listing of what is available.

10. The HMRC Annual Report does bring together some very useful data and commentary but, in our experience, there is limited awareness of the Report - or of the data it contains. We know, for example, that there is interest in the analysis of statutory review outcomes included in the report – but unless you know it is there, it is very difficult to locate because search engines cannot pick it up. It would be helpful to improve the visibility of some of the important analysis and commentary in the report by also publishing the information in a format which would allow search engines to find it.
11. We welcome the addition of some experimental data to the existing HMRC quarterly reports; this is useful and feedback received suggested it was also of interest to members – but we were told that most were not aware of the additions, or how to find them, until we circulated the links and highlighted the new data.

Question 3 - What information do you think it most important for HMRC to publish to improve trust and transparency?

12. We included some comments on information it would be useful for HMRC to publish in our [response to the consultation on the HMRC Charter](#). We believe that the annual Charter Report should play a significant role in demonstrating and publicising how HMRC has performed against the standards set out in the Charter and would be a useful way of highlighting the availability of information about HMRC's performance.
13. As set out in our response to the consultation on the new Charter, it is vital that HMRC provides clear commitments to the standards of service it will provide (rather than aspirations) and sets out how it will be measured against these commitments.
14. Our response to Question 3 of the Charter consultation noted that HMRC should consider whether it already has, or could collect, other data (beyond that already available, such as the annual 'customer survey') which would assist in measuring its performance against specific Charter standards and would be publicised in the annual report of HMRC's performance against the Charter.
15. Suggestions for other data included:
 - Statistics and analysis relating to the accuracy of information and responses being provided by HMRC helplines and webchats.
 - More data – and an analysis – showing how long it takes HMRC to complete compliance checks/enquiries into returns and how long it takes to deal with technical enquiries.
 - HMRC should set out how long taxpayers should expect to wait to obtain the right HMRC support or a referral to the relevant HMRC expert – and produce statistics to demonstrate whether these targets are being achieved.
 - Analysis of taxpayer complaints – with particular attention being paid to where and why significant HMRC delays or problems are occurring.
 - Exit surveys related to HMRC's work; extending these beyond existing areas covered. The wording of some of the questions in the surveys should be linked to the relevant Charter standards. An analysis of the responses (divided according to the type of work they relate to) should be included in the annual Charter Report. HMRC should also set out how it intends to address any consistent problems identified through analysis of the survey responses.
16. Two other suggestions we have received for additional data HMRC could publish are:
 - HMRC should review information requests it receives to assess whether information requested could usefully be published. The volume and frequency of requests for particular information should be taken into account.
 - Analysis of large business risk reviews.

Question 4 - Why do you think this would help improve trust and transparency?

17. Feedback from our members indicates that to improve and maintain trust in HMRC it is important that taxpayers and agents have information which allows them to see how HMRC is performing and which can be used to hold HMRC to account. We included details of various problems and concerns in our

response to the consultation on the draft HMRC Charter and our response to the Powers and Safeguards review. Two important areas of concern are:

- Agents and taxpayers are given tight deadlines to respond to HMRC – in some circumstances with penalties for non-compliance – but HMRC are not accountable for their long delays in dealing with cases.
- Taxpayers who are not large enough or wealthy enough to have a Customer Compliance Manager, experience considerable difficulties accessing HMRC experts and obtaining the right help and support from HMRC. This causes delays, increases costs and may mean (particularly for unrepresented taxpayers) that they cannot resolve a tax issue.

18. The publication of additional data to demonstrate how HMRC is addressing areas of concern and taxpayer complaints is essential to supporting taxpayer confidence in HMRC.

19. The new HMRC Charter should set out HMRC's commitments to the service levels it will provide (rather than aspirations), how its performance will be measured and make clear that taxpayers can complain where any of the standards are not met. The annual Charter Report should include a detailed assessment of HMRC's performance against the standards set out in the Charter; publication of additional data will be needed to ensure that meaningful analysis can be provided. Combined with the Adjudicator's annual report this would provide a better level of transparency around HMRC's performance and improve trust in HMRC.