



Law Council
OF AUSTRALIA

Business Law Section

Committee Secretary
House of Representatives Standing Committee on Economics
PO Box 6021
Parliament House
Canberra ACT 2600
Via: TaxRev.reps@aph.gov.au

11 March 2016

Dear Sir or Madam,,

Inquiry into the External Scrutiny of the Australian Taxation Office

The Taxation Committee of the Business Law Section of the Law Council of Australia (the **Committee**) welcomes the opportunity to make submissions to the House of Representatives Standing Committee on Tax and Revenue (the **Standing Committee**) regarding the Inquiry into the External Scrutiny of the Australian Taxation Office (the **Inquiry**).

This submission responds to the Inquiry's Terms of Reference released by the Standing Committee. The Committee has set out its submissions below. To assist the Committee in the Inquiry, this submission includes a comparative summary of oversight of the ATO, compared to oversight of revenue agencies in the United Kingdom, Canada and New Zealand (**Appendix**). The summary is organised by *type or function of oversight*, and makes summary reference to the number and topic of oversight inquiries or reports in each country in the last few years.

Outline of Submission

The Committee refers to the Inquiry Terms of Reference as follows:

The Committee will inquire into the scrutiny arrangements that apply to the Australian Taxation Office (ATO), with particular regard to:

- *removing inefficiency and duplication*
- *reducing cost to government*
- *the 'earned autonomy principle' set out in Stage 2 of the Public Management Reform Agenda.*

The review should not include the Australian National Audit Office role in the auditing of the ATO's financial statements

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The Committee submits that the current levels of scrutiny are adequate and appropriate in the current environment. The ATO responsibilities and the public interaction with it are changing. Significant changes in Australia's taxation rules are leading to significant demands on the ATO and taxpayers alike in analysing laws in Australia and internationally, implementing new reporting and compliance processes in Australia and internationally, and causing uncertainty for many.

The Committee acknowledges the importance of the office of the Inspector General of Taxation (**IGT**), supports its continued existence and recommends consideration of expanding this office's depth (resources) and breadth (role) to be the key body to have an oversight and coordinating role on matters relating to tax administration, in particular, to help guide enquiry by Parliamentary oversight committees.

The question of the level of ATO scrutiny is not new

It should first be noted that reviews of the level of ATO scrutiny have been undertaken a number of times.

In 1993 the Joint Standing Committee of Public Accounts (as it then was) considered the need to restructure the senior management structure of the ATO.

In 1999 the Review of Business Taxation released the *A New Tax System Redesigned* report (the Ralph Review) in which it considered a management board to oversee the ATO.

In 2011 a designated topic for discussion at the Tax Forum was Tax System Governance. We refer to the Inspector General's submission to the Tax Forum which provided quite some detail at the time of the ATO's scrutiny.¹

These interactions, including those which led to the creation of the statutory office of the IGT, reflected the significance of the ATO, its interaction with taxpayers and concerns about aspects of those interactions.

The scrutiny is totally appropriate given, as the Commissioner's 2015 annual report discloses:

- the ATO collected \$336.8 billion on net tax with an operating budget of \$3.45 billion;
- 76% of taxpayers and 70% of tax agents "told us they were satisfied with the service they received" which, while pleasing, implies that 24% of taxpayers and 30% of tax agents were not; and
- the ATO lists as forward initiatives "Working with the tax profession and other intermediaries as partners in the tax and super systems, building our analytics capability to enhance our risk-based, differentiated client experience, trying new approaches in compliance, driving action in the international tax arena ... Continuing to improve results in prevention and early resolution of disputes" – all of which involve significant interpretation and administration of new and complex laws.

¹ <http://igt.gov.au/publications/publication/submission-to-the-tax-forum/>

The goal of scrutiny and oversight of the ATO and current arrangements

Before considering the level of scrutiny on the ATO, the objectives of oversight of the office need to be considered.

One key goal is to ensure that administrative functions are being performed to an appropriate standard, the ATO budget is invested wisely, procurement is appropriately managed, there are no significant human resources issues, particular elements of the system (such as aspects of data management) are properly managed, and revenues are in line with performance expectations.

This would seem to be the main focus of the Australian National Audit Office in its performance audits and reviews. In other countries, some of this oversight seems to be performed by the Board of Management of the revenue agency (e.g. United Kingdom, Canada). We refer to **Appendix 1** for a comparative analysis of the oversight of the ATO, the HMRC and the CRA.

Another goal is to ensure that the ATO always operates in accordance with the law, in terms of the Commissioner's powers of administration, protecting due process and taxpayer rights and with due regard to the highly complex times we operate and changing law and expectations of taxpayers small and large. This may involve investigating individual taxpayer complaints and circumstances and a more systemic perspective on the interface or engagement between the ATO and taxpayers, and possible issues arising. This would seem to be the main role of the IGT, however currently its remit is limited to the terms of particular inquiries (and now, individual taxpayer complaints).

In this regard, it is important to make sure that one oversight or scrutiny role will continue to concern the protection of taxpayer rights and the operation of the Charter of taxpayer rights, currently itself the subject of an inquiry by IGT.

At Appendix D to the Standing Committee on Tax and Revenue 2013 Annual Report of the Australian Taxation Office² a diagrammatical representation of the ATO's external governance arrangements was prepared by the ATO as part of its submission. While that included a separate Commonwealth Ombudsman role, which is now subsumed by the IGT, it does outline the following:

- there are three Parliamentary committees which have oversight of the ATO. However, while the Joint Committee of Public Accountants and Audit (**JCPAA**) has historically held a biannual public hearing with the Commissioner of Taxation, it appears that the JCPAA has not undertaken an inquiry of the ATO since 2013;
- there is the role of the independent integrity advisor, which it should be noted is an ATO created role;
- the Office of the Australian Information Commissioner and the Commonwealth Ombudsman have roles related to public disclosure, freedom of information and non tax specific matters across all of Government;

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http://www.aph.gov.au/Parliamentary_Business/Committees/House/Tax_and_Revenue/2013_Annual_Report/First_Report

- the Australian National Audit Office (ANAO) has a role in providing audit and assurance services to all Parliament and Commonwealth public sector agencies and statutory bodies; and
- the IGT, now combined with the Commonwealth Ombudsman's taxpayer grievance role, has an important oversight role that is specific to taxation.

Two further comments might be made about that diagram:

- It should be noted that the Consultation Arrangements noted by the ATO as forming part of external governance does not form part of the scrutiny of the office, nor should it be considered a governance arrangement. Professional consultation by the ATO in respect of law, administration or systems issues is fundamental to the development and improvement of the taxation system.
- The graphics portray the IGT as a more significant and more substantial entity than the Parliament, than the ANAO and indeed a larger entity than the ATO itself. Given the IGT's minimal staffing and the limited oversight role of the IGT over the activities of the ATO, that presentation might mislead a casual reader about the role and significance of the IGT.

Ultimately, the ATO is accountable to the Parliament and it is appropriate that Parliamentary committees may decide to investigate particular aspects of ATO functioning, or issues arising in respect of tax collection. There appear to be a number of different Parliamentary forums for scrutiny of the ATO (including the Standing Committee, the Senate Standing Committee on Economics and Senate Estimates). It is not always clear how a particular topic of scrutiny is selected or what is the goal of these inquiries or scrutiny. To enhance efficiency for both the committees and the ATO, a clear identification of issues through the ANAO reviews and an annual summary report by the IGT would be useful in assisting the Parliamentary committees to decide what matters they may seek to investigate.

While the level of scrutiny of the ATO is considerable, it appears from a consideration of the bodies in place which have some oversight role of the ATO (some less than others) and their roles (aside from Parliamentary committees that the ATO may be asked to address) there are now essentially two bodies which have an active role with the ATO: the ANAO and the IGT.

The ANAO and the IGT

Aside from the financial statement audit role of the ANAO, which does not fall within the scope of this Inquiry, the ANAO's role is to provide the Parliament with an independent assessment of selected areas of public administration, and assurance about public sector financial reporting, administration, and accountability. This is done by conducting performance audits, financial statement audits, and assurance reviews.

The IGT, when initially established under the *Inspector-General of Taxation Act 2003 (Act)*, had the role of reviewing:

- systems established by the ATO to administer the tax laws, including systems for dealing or communicating with the public generally, or with particular people or organisations, in relation to the administration of the tax laws; and

- systems established by tax laws, but only to the extent that the systems deal with administrative matters.

It has since taken on the role of assisting taxpayers to address complaints they have about the actions of the ATO or the Tax Practitioners Board.

Importantly, the IGT was created at a time when the ANAO was in place.

In May 2002, the then Minister for Revenue and Assistant Treasurer, Senator the Hon Helen Coonan, asked the Board of Taxation to gather and consider a range of views and to make its own recommendations on the establishment of the IGT. The report provided by the Board of Taxation (of which the current Commissioner of Taxation was a member) supported the establishment of the IGT.

At the time of the inquiry, the Committee supported the proposal to create the office of the IGT.

Importantly, the role of the IGT is different to that of the ANAO (and Parliamentary committees). We submit that the performance audit function of the ANAO does not encompass the statutory objects in section 3 of the Act for the IGT to

- “(a) improve the administration of taxation laws for the benefit of all taxpayers, tax practitioners and other entities; and
- (b) provide independent advice to the government on the administration of taxation laws; and
- (c) investigate complaints by taxpayers, tax practitioners or other entities about the administration of taxation laws; and
- (d) investigate administrative action taken under taxation laws, including systemic issues, that affect taxpayers, tax practitioners or other entities.”

We recognise that the ATO has undertaken much development of its tax administration practices since that time.

However, nothing has changed in the landscape which, if the question were asked again as to whether we should establish the office of the IGT, would affect our view.

We consider that our view (and the view of many others at the time) as supported by the Board of Taxation, has been vindicated by the good work of the IGT over its near 13 years of operation.

There has been a significant level of work done by the IGT's office in its time. It must be noted that the work has led to improvement in the administration of the tax system, including:

- ATO management of disputes with taxpayers
- ATO development of its views and changes of views
- ATO compliance practices affecting smaller and medium taxpayers as well as larger taxpayers.

In the last 12 months alone, of the IGT's reports recommending changes, the ATO has responded agreeing (in whole or in part) with 50 of the 58 recommendations made by the IGT. That is an indicator of the relevance and value of that scrutiny.

We reiterate that the role of the IGT differs from the ANAO (and Parliamentary committees). The IGT's office, under its statutory obligations, has a closer alignment to taxpayers' interests and ensuring the improvements in the administration of the system benefit all parties. The office of the IGT has extensive contact with taxpayer groups, including the Committee, on various of their projects. The office approaches groups, including the Committee, at least annually in order that we can suggest topics for their work program. Together with the complaint handling function now with the IGT, the office of the IGT is very interactive with taxpayers and alive to their concerns. By contrast, the ANAO role is more aligned to Government and their concerns with efficiency and administration³. and the ANAO does not undertake the same consultation and have the same level of interaction with taxpayers and relevant representative bodies.

Inefficiency, cost and duplication

When the IGT was established the ANAO was in operation and undertook an oversight role on matters of tax administration.

At the time, the ANAO had performance audits in progress concerning implementation of the GST and the administration of the collection of petroleum excise, it had just completed a review of the ATO's administration of Taxation Rulings and had on its list for future work a number of reviews relating to taxation administration, including review of management of non-resident's withholding tax and the management of aggressive tax planning.

The ANAO clearly has a broader role, including the financial reporting assurance work which is outside of the scope of this review.

It does, however, appear that since the establishment of the IGT's office, the ANAO continues to have some role which could be seen to overlap with the IGT. This seems to be the case, based on the currently proposed potential audits listed by the ANAO which includes:

- an audit into the effectiveness of the ATO's administration of GST for small to medium-sized enterprises;
- an audit into the effectiveness of the ATO's administration of the FBT;
- an audit of the effectiveness of the ATO's administration of the director penalty regime; and
- an audit of the effectiveness of the ATO's administration of the thin capitalisation rules.

Those listed above, while they may fit into the category of performance audits, may also be audits or reviews which might involve matters of tax administration.

³ See for example the ANAO Annual Report
http://www.anao.gov.au/html/Files/Annual%20Reports/HTML/annualreport_1112/part2_overview/role.html

We note that the ANAO proposes to undertake a number of other audits which the Committee does not consider would overlap with the work of the IGT. Perhaps rather than 'duplication', the issue appears to be more one of perceived lack of clarity about the scope of selection of topics and scrutiny of the ATO. The above is focused on any overlap with the ANAO and the IGT, but there may be other areas of overlap with inquiries made of the ATO, including with Parliamentary committees. To the extent that there is scope for any overlap with inquiries made of the ATO, perhaps a system could be introduced which identifies and resolves any such duplication risk. We would support some consultation among the bodies in an informal manner which aligns to their requirements without adding to regulatory complexity, to

- minimise overlap of reviews – separating performance and efficiency from administration issues; and
- conversely, ensure coverage of issues so as to minimise gaps in supervision,

while maintaining efficiency and minimising multiple handling of particular issues.

The importance of minimising the divergence of limited ATO resources in respect of particular inquiries where this is not really necessary is acknowledged by the Committee.

The Committee submits that any review into matters of taxation administration (aside from an ANAO review of cost/benefit criteria about best practice performance and outcomes of administration) be undertaken by the one body and, the Committee considers that the appropriate body is the office of the IGT. It is specifically formed and resourced for the required focus on taxation matters.

As the Committee notes at the outset of this letter, the review of ATO scrutiny is not new. What is also not new is the recommendation of the Committee that one body is given the primary role of scrutiny of the administration of the tax system. To refer the Standing Committee to a recent example in 2011 at the Tax Forum it was put by a number of participants, including the Institute of Chartered Accountants and the IGT⁴, that there be an amalgamation of the roles of various scrutineers of the ATO in to one body. The Committee suggests that the IGT is the most appropriate body for that, having already taken on the taxpayer grievance role from the Ombudsman.

To facilitate the coordination suggested by the Committee, the Standing Committee may wish to consider whether any amendment is required to section 41 of the *Inspector-General of Taxation Act 2003* (Cth). The annual report should continue to summarise complaints and investigations. However, perhaps it should also require the IGT to provide a summary of the most important systemic issues with the administration and oversight of the taxation system, together with recommendations for solving those problems, taking note of the ATO's efforts. This would allow the IGT to bring to the attention of Parliament and its committees areas of concern that arise not just from its own investigations, but from any other enquiries, and importantly to prioritise them.

A similar approach taken by the National Taxpayer Advocate in the United States has proven effective and guided Congress in establishing legislative priorities to improve tax administration. The current Australian oversight does not provide Parliament with a holistic

⁴ <http://www.treasury.gov.au/Policy-Topics/Taxation/Tax-Forum/Videos-and-Transcripts/Session-6>

perspective of tax administration from an oversight body, so that it can focus easily on the most important issues.

Resourcing the IGT

Given our recommendation above, it is important to consider the resourcing of the IGT.

The IGT runs on a budget of approximately \$6.5m⁵, having more than doubled its funding from Government from 2014-2015 due to the complaints handling function moving from the Ombudsman's office to the IGT. We understand that at present there are just over 20 staff in the IGT.

With the role of oversight of the administration of the tax system by the ATO and addressing taxpayer complaints, the Committee submits that the IGT could do with additional funding.

The IGT notes in the Annual Report 2009-2010 (refer Part 1: Overview) that there are limitations on the IGT without the appropriate level of resources. In particular, the IGT notes as follows:

This scrutineering function, requires a critical mass or body with appropriate resources and capabilities to do this effectively. As an example, the Taxpayer Advocate Service (TAS) in the United States of America. The TAS has appropriate centralisation of function, scale and funding to deliver these outcomes. Broadly, in Australian terms, it combines the IGT and Ombudsman's tax function in one body. Greater resource efficiency is obtained for agencies with these scale and capability benefits. As a rough metric the TAS budget is approximately 2 per cent of the Internal Revenue Service (IRS) budget and as a corollary employs around 2,000 people compared to 100,000 by the IRS.

If we were to compare the IGT with the ATO by headcount, as is done above with the US TAS and IRS, the ratio would be a mere fraction of the 2% ration in the US. Assuming an ATO workforce of 20,000 and an IGT team of 25, the IGT represents a mere 0.125% of the ATO.

While we do not consider significant increase in funding would be required to bring more of the ANAO's function into the IGT to ensure no overlap, we do consider that there may nonetheless be a need to provide additional resources for the IGT to be able to continue to do its job.

The concept of “earned autonomy”

It appears that this concept implies that scrutiny will be reduced over time (there will be more autonomy), if performance is satisfactory.

It is not clear to what extent this is relevant to scrutiny of the ATO. As a large organisation, regular scrutiny is a normal part of operations.

⁵ Excluding funding required for property, plant and equipment. According to Budget Estimates for 2015-2016, funding for PP&E expenditure (which is provided by equity injections rather than appropriations) for 2014-2015 was approximately \$800,000, for 2015-2016 was estimated to be around \$200,000, and the next planned significant amount being approximately \$900,000 in 2018-2019.

According to the ATO's 2014-2015 Annual Report the ATO handled tax revenue of over \$340 billion. This level of revenue is greater than the major Australian banks combined. The ATO has a budget of an operating budget of \$3.45 billion and 21,251 employees with significant ongoing change management processes under way. The ATO is without question, one of the most important organisations in the country.

For that reason alone, it will always require a significant level of oversight. More generally, it makes sense for oversight to be regular and ongoing, while being mindful of minimising cost and duplication.

There is an argument that scrutiny should be seen as a positive for the ATO, given its size and importance: it provides a safeguard and an appropriate system of checks and balance. In the 2013 Annual Report (First Report) of the ATO the Standing Committee noted as follows:

2.156 At the hearing, the ATO commented that it is scrutinised extensively. The Committee would note, however, that much of this scrutiny is similar to other agencies. For example, almost all agencies are subject to the Auditor-General and the Ombudsman and appear before Senate Estimates. The fact that these agencies often focus more on the ATO reflects the importance of the ATO's role.

2.157 The main difference between most agencies and the ATO is that it has its own Inspector-General. In this respect, it is similar to the intelligence and security agencies, and defence agencies, which also have an Inspector-General. Once again, this reflects their importance.

2.158 In its Capability Review, the APSC commented that the ATO is in the 'fortunate position' to receive a high level of scrutiny. The reasoning is that a high level of scrutiny is an effort to prevent serious, large scale lapses in its performance. The Committee accepts that current levels of scrutiny are appropriate and encourages the ATO to continue the professional way in which it engages with its scrutineers.

And as noted above 76% of taxpayers and 70% of tax agents "told us they were satisfied with the service they received" which while pleasing, implies that 24% of taxpayers and 30% of tax agents were not.

An ATO Board

While the Committee is not of a firm view that a Board need be introduced in the ATO, it is important that this be addressed as part of the Standing Committee's review.

There has been a proposal for an ATO advisory board (last referred to in the 2013 budget, where it was proposed to be funded out of existing resources of the ATO) for many years.

An overview of the experience of other countries suggests that where there is a Board, there may be somewhat less external scrutiny of the revenue agency. This may be because the Board itself performs some of the oversight functions in terms of performance, the business plan and oversight of resources, services, personnel, contracts (see, e.g. the UK role and Canada role).

The Committee submits that establishing a Board would not warrant the removal of existing levels of external scrutiny on the ATO.

* * * * *

Should the Standing Committee wish to discuss these views with the Committee, discussions can be initiated by contacting the Chair of the Business Law Section, Teresa Dyson on [REDACTED] or via email: [REDACTED] or Committee Chair, Adrian Varrasso on [REDACTED] or via email: [REDACTED]

Yours faithfully,

A large black rectangular redaction box covering the signature of Teresa Dyson.

Teresa Dyson, Chair
Business Law Section

Inquiry into the External Scrutiny of the Australian Taxation Office
Submission 9

| | Australia <i>Australian Tax Office</i> | United Kingdom <i>HM Revenue and Customs</i> | Canada <i>Canada Revenue Agency</i> | New Zealand <i>Inland Revenue Department (IRD)</i> |
|--|--|---|---|--|
| Performance audits / reviews (by an independent external agency) | Australian National Audit Office (ANAO) (3 audits in 2015; 6 in 2014; 7 in 2013) ⁱ Inspector-General of Taxation (IGT) (4 reviews in 2015; 8 in 2014; 1 in 2013) ⁱⁱ | National Audit Office (NAO) (2 audits in 2015; 3 in 2014; 4 in 2013) (in addition to general annual reviews) ⁱⁱⁱ | Office of the Auditor General of Canada (2 audits in 2015; 1 in 2014; 3 in 2013) ^{iv} | Controller and Auditor-General (1 in 2015; 1 in 2014; 0 in 2013) ^v |
| Service complaints from taxpayers (tax assessment disputes are handled through administrative/judicial review) | Inspector-General of Taxation (IGT) | The Adjudicator's Office Parliamentary & Health Service Ombudsman (requires referral by an MP) | Office of the Taxpayer's Ombudsman (OTO) Office of the Privacy Commissioner of Canada (only complaints re privacy) | Office of the Ombudsman ^{vi} |
| Public parliamentary inquiries on Annual Reports of the tax office | House Standing Committee on Tax and Revenue (2014 inquiry report examined 18 issues) ^{vii} | National Audit Office (role transferred to House committee) (2014 inquiry examined 4 new issues and revisited issues in the 2013 inquiry) ^{viii} Commons, Treasury Select Committee | None | Finance and Expenditure Committee (FEC) (2014 inquiry examined 10 issues, albeit very briefly) ^{ix} |
| Parliamentary inquiries on specific issues re tax office administration | Senate Standing Committee on Economics (1 inquiry in 2016) ^x House Standing Committee on Tax and Revenue (1 inquiry in 2016; 2 in 2015) ^{xi} | Lords Select Committee on Economic Affairs (one inquiry in 2012) ^{xii} House of Commons, Treasury Select Committee (1 inquiry in 2016–17; 1 in 2012) ^{xiii} | House of Commons, Standing Committee on Finance (none recently; 1 inquiry in 2006) ^{xiv} | Finance and Expenditure Committee (FEC) (no recent independent inquiries) |
| Miscellaneous inquiries | | | Office of the Privacy Commissioner of Canada (one inquiry in 2013) ^{xv} | |
| Research on tax and fiscal policy (not tax office administration) | Parliamentary Budget Office (PBO) | Office for Budget Responsibility Office for Tax Simplification | Parliamentary Budget Officer | None (Inland Revenue's 'Policy and Strategy Group' is internal to IRD) ^{xvi} Taxpayers Simplification Panel |
| Board of Directors, responsible for independent oversight | None | HMRC Board ^{xvii} | Board of Management ^{xviii} | None (Board structure is internal) ^{xix} |

ⁱ 'Administration of Capital Gains Tax for Individual and Small Business Taxpayers' (2015); 'Promoting Compliance with Superannuation Guarantee Obligations' (2015); 'Administration of Enforceable Undertakings' (2015); 'Administration of Contact Centres' (2014); 'Annual Compliance Arrangements with Large Corporate Taxpayers' (2014); 'Administration of the Australian Business Register' (2014); 'Compliance Effectiveness Methodology' (2014); 'Managing Compliance of High Wealth Individuals' (2014); 'Management of Complaints and Other Feedback' (2014); 'Determination and Collection of Financial Industry Levies' (2013); 'Administration of the Taxation of [PSI]' (2013); 'Compliance Effectiveness Methodology' (2013); 'Management of Debt Relief Arrangements' (2013); 'Management and Reporting of Goods and Services Tax and Fringe Benefits Tax' (2013); 'Information Preparation of the Tax Expenditures Statement' (2013); 'The Regulation of Tax Practitioners by the Tax Practitioners Board' (2013). **For copies of reports, see the Dropbox Folder, or <<http://goo.gl/8UqL5L>>.**

ⁱⁱ The Australian Taxation Office's services and support for tax practitioners (2015); Debt collection (2015); The management of tax disputes (2015); Review into the ATO's administration of valuation matters (2015); Follow up review into the Australian Taxation Office's implementation of agreed recommendations in five reports released between August 2009 and November 2010 (2014); Follow up review into delayed or changed Australian Taxation Office views on significant issues (2014); Review into the ATO's administration of penalties (2014); Review into the Australian Taxation Office's management of transfer pricing matters (2014); Review into the Australian Taxation Office's compliance approach to individual taxpayers – superannuation excess contributions tax (2014); Review into the Australian Taxation Office's compliance approach to individual taxpayers – income tax refund integrity program (2014); Review into the Australian Taxation Office's compliance approach to individual taxpayers – use of data matching (2014); Review into aspects of the Australian Taxation Office's use of compliance risk assessment tools (2014); Review into improving the self assessment system (2013). **For copies of reports, see the Dropbox Folder, or <<http://igt.gov.au/our-reviews/reports-of-reviews/>>.**

ⁱⁱⁱ 'Tackling Tax Fraud: How HMRC Responds to Tax Evasion, the Hidden Economy and Criminal Attacks' (2015); 'Confirmed Impacts: Increasing the Effectiveness of Tax Collection' (2015); 'The Effective Management of Tax Reliefs' (2014); 'Managing and Replacing the Aspire Contract' (2014); 'Tax Reliefs' (2014); 'Confirmed Impacts: NAO Report Helps HMRC Improve Customer Service' (2013); '2012–13 Review for the Data Systems for HM Revenue and Customs' (2013); 'Progress in tackling tobacco smuggling' (2013); 'HM Revenue and Customs: Progress on reducing costs' (2013); 'HMRC 2014–15 Accounts' (2015); 'HMRC 2013–14 Accounts' (2014); 'HMRC 2013–14 Accounts' (2013); **For copies of reports, see the Dropbox Folder, or <<https://www.nao.org.uk/search/keyword/All/sector/tax-and-duties/type/report/>>.**

^{iv} '2015 Fall Reports of the Commissioner of the Environment and Sustainable Development: Report 3 — Departmental Progress in Implementing Sustainable Development Strategies'; '2015 Spring Reports of the Auditor General of Canada: Report 3 — Tax-Based Expenditures'; '2014 Spring Report of the Auditor General of Canada: Chapter 3 — Aggressive Tax Planning'; '2013 Fall Report of the Auditor General of Canada: Chapter 9 — Offshore Banking'; '2013 Fall Report of the Auditor General of Canada: Chapter 2 — Access to Online Services'; '2013 Spring Report of the Auditor General of Canada: Chapter 3 — Status Report on Collecting Tax Debts'. **For copies of reports, see the Dropbox Folder, or <http://www.oag-bvg.gc.ca/internet/English/parl_lpf_e_932.html>.**

^v 'Inland Revenue Department: Governance of the Business Transformation Programme' (2015); 'Inland Revenue Department: Making it easy for taxpayers to comply' (2014)

^{vi} See generally <<http://goo.gl/J8B66q>>.

^{vii} '[1] Measuring and reporting the impact of compliance work; [2] Allocating compliance resources; [3] Operating effective revenue systems; and [4] Managing fraud, error and debt from the personal tax credits systems' **For a copy of the report, see <<https://www.nao.org.uk/wp-content/uploads/2014/07/Her-majestys-revenue-and-customs-accounts-2014.pdf>>.**

viii Tax Agent Portal; Single Touch Payroll; No-touch tax returns; Stakeholder consultation; Client service improvements; ATO correspondence program; Complaints to the Inspector-General of Taxation; Measuring the Tax Gap; Cash economy; Tax implications of the sharing economy; ATO recovery practices; Tax transparency reporting; Performance measurement and reporting; and Gender diversity in the ATO workforce compliant taxpayers' relationship with the Australian Taxation Office (ATO); administration of the ATO; compliance strategies; and policy development. **For a copy of the report, see <<http://goo.gl/6cqJWe>> (Part 1); <<http://goo.gl/LqgcJI>> (Part 2).**

ix '2013/14 Annual Review of the Inland Revenue Department': <http://goo.gl/kMpv00>

x 'Corporate tax avoidance' (2016). **For a copy of the report, see the Dropbox Folder.**

xi 'Inquiry into the External Scrutiny of the Australian Tax Office' (2016); 'The Tax Expenditures Statement' (2015); 'Tax Disputes' (2015); **For copies of reports, see the Dropbox Folder, or <http://www.aph.gov.au/Parliamentary_Business/Committees/House/Tax_and_Revenue>; <http://www.aph.gov.au/Parliamentary_Business/Committees/House/Tax_and_Revenue/completed_inquiries>.**

xii 'Taxing Corporations in a Global Economy: is a New Approach Needed?' (2013). **For copies of reports, see the Dropbox Folder, or <<http://goo.gl/e082MH>>.**

xiii 'Closing the Tax Gap: HMRC's Record at Ensuring Tax Compliance' (2012); 'Administration and effectiveness of HMRC' (2012); 'UK Tax Policy and the Tax Base Inquiry' (2016–17). **For copies of reports, see the Dropbox Folder, or <<http://goo.gl/0BpbE2>>.**

xiv 'Parliamentary Review of the Canada Customs and Revenue Agency Act: A Value Proposition or a Failed Experiment?' (2006). **For copies of reports, see the Dropbox Folder, or <http://www.parl.gc.ca/content/hoc/Committee/391/FINA/Reports/RP2603376/391_FINA_Rpt09/391_FINA_Rpt09-e.pdf>.**

xv A broad-based inquiry into CRA's performance on privacy issues.

xvi See generally <<https://taxpolicy.ird.govt.nz/about-us>>.

xvii 'As a non-ministerial department, the role of the Board is critical to the success of HMRC. The Board is in place to advise and challenge on the management of HMRC, particularly focusing its attention on the performance of the department and its future strategic direction'

'The Board's role is to help HMRC deliver its agenda and maximise its performance. The Board provides challenge and assurance to the Chief Executive and executive team on the design of HMRC's strategy and on its implementation including reviewing and challenging performance against the department's business plan'. The board also operates three supporting committees: [1] audit and risk; [2] scrutiny; [3] people, nominations and governance': **see generally <<https://www.gov.uk/government/organisations/hm-revenue-customs/groups/hmrc-board>>.**

xviii 'The Board has the responsibility of overseeing the organization and management of the CRA, including the development of the Corporate Business Plan, and the management of policies related to resources, services, property, personnel, and contracts. ... Unlike the boards of Crown corporations, the Board is not involved in all the business activities of the CRA. In particular, the CRA Board has no authority in the administration and enforcement of legislation, which includes the Income Tax Act and the Excise Tax Act, for which the CRA remains fully accountable to the Minister of National Revenue': **see generally <<http://www.cra-arc.gc.ca/gncy/brd/rls-eng.html>>.**

^{xix} IRD's internal governance structure includes four internal Boards and a Risk and Assurance Committee:

- **Strategy Board** - focusing on longer-term organisational strategy development including environmental scanning, strategic planning and resourcing implications.
- **Investment Board** - focusing on investment-related decisions for Inland Revenue.
- **Portfolio Governance Authority** - governs approved projects and programmes within Inland Revenue's single investment portfolio.
- **Business Performance Board** - focusing on shorter-term financial and business performance, resource management, and operational and financial planning.
- In addition to these boards, Inland Revenue also has a Risk and Assurance Committee which consists of four members, all of whom are external to Inland Revenue. It was established to provide independent advice to assist the Commissioner in the effective and efficient discharge of the Commissioner's statutory and governance responsibilities and accountabilities'.

See generally <<http://goo.gl/YoyrRo>>.