

## **Tackling Tax Evasion Statement (Criminal Finances Act 2017)**

### **Our commitment**

At Teesside University (the “University”) we do not condone and have a zero tolerance approach to the facilitation of tax evasion. This statement is published in accordance with the Criminal Finances Act 2017 (“CFA2017”). This statement sets out the commitment of the University to preventing persons associated with the University and its subsidiary companies from engaging in the criminal facilitation of tax evasion in the UK or in a foreign country. It also sets out the steps the University has taken and will take in relation to preventing the facilitation of tax evasion.

### **Introduction**

Tax evasion occurs when individuals or businesses deliberately omit, conceal or misrepresent information to reduce their tax liabilities. Organisations can be used by associated individuals or businesses to facilitate taxpayer evasion in the UK or overseas.

The University is committed to preventing the facilitation of tax evasion by associated individuals or businesses anywhere within its operations. We achieve this through developing reasonable prevention procedures, carrying out regular due diligence and risk assessments of our activities and creating awareness and a culture of compliance throughout the University. We also use our strategic planning and risk management processes to identify any emerging risks for future activities, changes in legislation and through efficient and effective contract management.

### **The University’s structure and activities**

Teesside is the only university wholly based in the Tees Valley area and has its origins in the period after World War I. In 1930 Joseph Constantine, a local shipping magnate, made a gift to the town to stimulate the establishment of a technical college to support Middlesbrough’s booming engineering and shipping industries.

In 1969, the college became Britain’s 13th polytechnic, and in 1989, Teesside Polytechnic left local authority control and became a self-governing independent higher education institution. In 1992, the Polytechnic received university status.

Teesside University has developed into a dynamic, energetic and innovative institution which places students at the centre of everything it does. It prides itself on its inclusive, consultative, responsive, friendly and open approach and on the significant positive

social, economic and cultural impact that it has upon the communities that it serves and the wider economy of the North East and North Yorkshire.

Teesside University is an exempt charity under the terms of the Charities Act 2011. It is regulated by HEFCE, which has been appointed the principal regulator of Higher Education Institutions.

Commercial trading activities undertaken by the University are operated through its subsidiary companies: University of Teesside Enterprises Limited, Teesnap Limited and Teesside Sports Injury Centre Limited.

### **Risk Assessment and Implementation of Prevention Procedures**

The University is committed to embedding processes and controls that will help eliminate opportunities for the criminal facilitation of tax evasion.

Risk assessments of all activities will assist in determining the nature and extent of exposure to the risk of any "associated persons" (for example, employees, agents, contractors, suppliers and intermediaries) engaging in activity that could criminally facilitate tax evasion. Reasonable prevention procedures proportionate to the size, complexity and risk will be implemented. The University will remain vigilant as to these risks to identify any relevant issues that may arise, and ensure they are addressed appropriately.

### **Due Diligence**

Due diligence on both customers of and suppliers to the University will be undertaken in order to ensure that the risk of potential interactions with the University or its subsidiary companies being used by associated persons to engage in the criminal facilitation of tax evasion is clearly identified before any transactions take place. This due diligence will be proportionate to the identified risk.

### **Raising Awareness & Collaboration**

As the strategic knowledge base for tax matters at Teesside University, the University's Finance Department is committed to staying aware of developments, legislation and case studies about the prevention of the criminal facilitation of tax evasion.

Eliminating the opportunities to facilitate tax evasion effectively requires improved traceability, increased transparency and collaboration between statutory agencies and other organisations.

Steps taken by the University in this area include (but are not limited to) the following:

- The University has nominated key officers responsible for information and queries on CFA2017. The key officers for CFA2017 are Diane Howie, Deputy Director of Finance and Victoria Dixon, Solicitor. The University's Head of Procurement is responsible for supply chain management transparency and initiatives.
- Finance & Commercial Development staff will be formally briefed on CFA2017, the outcomes from risk assessments and this Statement and will also identify

and deliver other bespoke training and awareness for other staff where CFA2017-specific risks are identified.

- In situations where it is proposed to treat an individual as a supplier of services to the University where payment in respect of those services is via an invoice the University's new Off Payroll Workers Guidance Notes must be followed. Essentially, it is those services provided by an individual, limited company or partnership where there is, primarily, a labour only supply and the work is personally performed by the owner.
- The University will work in collaboration with other universities and external bodies such as the British Universities Finance Directors Group, HMRC, Procurement Consortia, HEFCE, and/ or any other relevant regulatory bodies to share and develop best practice in due diligence, prevention procedures and the elimination of the criminal facilitation of tax evasion.

**This Statement has been approved by the University's Board of Governors at its meeting on 23 March 2018 and is signed on its behalf by:**

A handwritten signature in black ink, appearing to read 'Paul Croney', with a small flourish at the end.

**Professor Paul Croney**

**Chief Executive and Vice-Chancellor**