

Statement Regarding the Criminal Finances Act 2017

This statement has been published in accordance with the Criminal Finance Act 2017 (CFA2017). It sets out the commitment of the Sheffield Hallam University preventing persons associated with the University and its subsidiaries from engaging in the criminal facilitation of tax evasion.

Introduction

The Criminal Finance Act 2017 includes a new Corporate Criminal Offence (CCO) which affects all corporates, and therefore all universities, with effect from 30 September 2017.

The new CCO makes it an offence for a corporate to fail to prevent an employee, agent or other 'associated person' of the corporate body from knowingly assisting another party in evading tax, whether that be in the UK or overseas (*NB: this legislation does not relate to the corporate/university's own tax risks/errors/evasion, but to failing to prevent associated persons from assisting others to evade tax*).

The University and its trading subsidiaries therefore have to review the risk of this occurring and have appropriate procedures in place to prevent it.

Risk Assessment

The University undertakes risk assessments of all its operations both in the UK and overseas to determine the nature and extent of exposure to the risk of any "associated persons" engaging in activity that could facilitate tax evasion.

The University maintains a register of possible risks of the facilitation of tax evasion by its staff, agents and "associated persons" which as well as listing controls to mitigate those risks also lists any actions required to improve those controls. This register is regularly reviewed and updated, as and when required.

Implementation of controls / procedures to reduce risk

Based on the risk register the University implements reasonable prevention procedures and controls proportionate to the size, complexity and level of risk. These will be reviewed at the same time as the risk register and updated as required.

The University also seeks to carry out proportionate due diligence on customers and suppliers to ensure that the risk of "associated persons" engaging in the criminal facilitation of tax evasion is identified up front and reflected if necessary in the risk register.

The University will look to terminate of relationships with "associated persons" if tax evasion is identified and will include clauses in contracts to facilitate this.

The new CCO will be referred to in the University's Anti-Bribery, Anti-Corruption, Ethics, Anti-Money Laundering, supply chain management and subcontracting policies.

Knowledge and raising awareness

As the area with responsibility for tax compliance, the Finance and Planning Directorate will keep up to date with legislation, regulations and best practice in relation to preventing "associated persons" from engaging in the criminal facilitation of tax evasion. This will be achieved by using resources such as the British University Finance Directors' Group (BUFDG) discussion forums and updates, HMRC website and alerts and tax seminars run by professional advisors.

The University will liaise as necessary with other institutions in the sector, HMRC and any other relevant bodies/organisations, in order to ensure that there is transparency and collaboration to help reduce the opportunities for facilitating tax evasion.

The University has nominated key officers responsible for information and queries on CFA2017 within our organisation:

- Chief Finance and Planning Officer
- Assistant Director for Financial Services

The University has nominated faculty / directorate officers responsible for information and queries on CFA2017 within the areas that they support:

- For example: overseas operations

The University's Head of Strategic Procurement is responsible for supply chain management transparency and initiatives.

The University's Human Resources and Organisational Development Team will build awareness of CFA2017 into the University's Induction Programme.

More specific training will be given to staff in roles which are deemed to be high risk.

University staff are encouraged to speak to any of the nominated officers listed above if they have any questions or concerns about tax evasion. If any individual suspect that any person associated with the University and its subsidiaries is engaging in the criminal facilitation of tax evasion, they must disclose their suspicions as soon as possible to one of the Key Officers named above. In cases where a member of staff believes that informing the Key Officers would be inappropriate, they should follow the University's Whistleblowing Policy.

Consequences of non-compliance with University approach

The University is committed to a zero tolerance towards the criminal facilitation of tax evasion.

Any staff member who fails to meet this commitment will be subject to disciplinary action under the University's Performance Review Process, with sanctions including summary dismissal. The staff member may also be personally liable to criminal prosecution in the UK under existing tax evasion laws.

In the supplier selection phase of the procurement process, we may remove suppliers from the competition stage that do not comply with the University's policies, or who have poor supply chain practices.

Contracted suppliers will be required to take the necessary action to improve their service delivery and we will work with them to address any concerns. If the supplier does not improve, the University may terminate the business relationship.

The University will take reasonable actions to challenge customers and suppliers that do not meet our standards regarding prevention of the criminal facilitation of tax evasion. Such customers or suppliers may also be liable to prosecution under the provisions of the CFA 2017.

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