



# HMRC Professional Standards Committee: Terms of reference

## Status and purpose

1. The Professional Standards Committee (“the Committee”) will provide oversight of how HMRC administers the tax system and applies policies in accordance with its values; we are professional, act with integrity, show respect and are innovative.
2. The Committee will consider how HMRC’s actions could affect trust in the tax system and public perception of fairness. It will offer critical challenge to how HMRC exercises its powers, supporting fair practice in the use of its powers and safeguards for all its customers, whilst being mindful of the potential impacts on specific groups of customers.
3. The Committee is a sub-Committee of [HMRC’s Executive Committee](#). Its role is to advise those in HMRC who make decisions of the kind listed in paragraph 8 of the Terms of Reference.
4. The Committee will be advisory, so will not have decision-making authority, though it may make recommendations to existing governance and decision-making bodies as appropriate. Recommendations will be made by consensus.

## Responsibilities

The Committee will:

5. Seek to establish how well and how consistently HMRC are acting in accordance with its values, periodically reviewing issues regarding the administration of the tax system.
6. Maintain close links with other HMRC Committees, accepting referrals when appropriate and within this Committee’s scope and focus.
7. Provide evidenced, well-argued views which may influence HMRC decisions and actions, escalating issues when necessary.
8. Issues the Committee consider may include, but not be limited to:
  - Adherence to recognised policy making principles
  - The implementation or operation of government policy, including compliance powers granted by Parliament
  - The implementation or operation of statutory safeguards for taxpayers including rights of review, appeal and redress
  - Operational policy and practice
  - The collection and use of data, including data received from third parties, and data-enabled technology
  - The sharing and use of HMRC data beyond HMRC
  - The application of machine learning and artificial intelligence
  - The application of behavioural insight

9. Those in HMRC who make decisions of the kind listed in paragraph 8 will be expected to seek the advice of the Committee when they consider decisions which could have significant implications for public trust in HMRC's administration of tax in accordance with its values.
10. Commissioners and Senior Executives will have a right to ask the committee to review aspects of HMRC's internal policy, systems and performance.
11. The Committee will not:
  - Examine individual cases, for example the affairs of any taxpayer, the conduct of an individual investigation, or complaints about the conduct of HMRC staff, as HMRC has established governance procedures for dealing with these.
  - Be involved in making operational decisions.
  - Consider Government tax policy.

### **Membership, attendance and secretariat**

12. The Committee will be chaired by the Director General for Customer Strategy and Tax Design. Membership will include three Non-Executive Directors, although additional Non-Executive Directors may be invited to attend as appropriate. Executive Committee members will have a standing invite.
13. The Committee will draw on the support of a range of independent advisers for their expertise when required. These advisers will be experts in their field and provide specialist knowledge or experience which will support the Committee in its work.
14. Committee meetings will be considered quorate when at least three members of the Executive Committee, of which one must be the Chair, and two Non-Executive Directors are present.
15. Substitutes will not be permitted to attend meetings, unless by invite of the Chair.
16. Secretariat to the Committee will be drawn from the HMRC Executive Committee Secretariat, which also provides support to HMRC Board and Executive Committee, as well as their sub-Committees.

### **Meetings, reporting and review**

17. The Committee will normally meet four times a year. Additional meetings may be called to address critical issues or share knowledge and good practice as determined by the Chair.
18. The Committee will share recommendations from the meetings as appropriate for consideration and action. A log of these recommendations will be retained by the secretariat, and an update on the progress or otherwise of recommendations will be sought ahead of each meeting.

19. After each meeting, the Chair will report the key issues and outcomes of Committee meetings to the Executive Committee and the Board.
20. The Committee will keep ministers informed of its activities, quarterly and on request.
21. HMRC will publish a report of the work of the Committee at least once a year. This will include details of the independent advisers who have provided support.
22. The Committee will review its effectiveness, the balance of issues that it discusses, the Terms of Reference and membership annually.