

# Revenue Scotland Conflict of Interest Policy

## Document Control

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## 1. Introduction and Scope

1.1 Revenue Scotland is committed to achieving the highest possible standards of service and ethical practice in its activities. For civil servants, these standards are reinforced by the [Civil Service Code](#). This policy document sets out how Revenue Scotland staff can report any potential conflict of interest relating to the functions of Revenue Scotland.

### Purpose

1.2 To ensure that Revenue Scotland have procedures in place to deal with situations when conflicts of interest arise.

### Scope

1.3 Revenue Scotland Board members, employees, delegates carrying out functions on behalf of Revenue Scotland and temporary staff

## 2. Related Policies and Procedures

- [The Civil Service Code](#)
- Revenue Scotland Counter-Fraud Policy
- Revenue Scotland Fraud Response Plan
- Revenue Scotland Whistleblowing Policy
- SG Propriety Policy

## 3. Overview of Policy

### What is the policy?

3.1 As a public servant you have a particular duty to ensure that your official position is not used to further your own personal interests, or the personal and/or other interests of others who have no legitimate entitlement to benefit. You also have a duty to ensure that in your conduct no appearance of such bias or misuse of position is given or can reasonably be inferred.

3.2 As professionals within Revenue Scotland, some staff may already have to adhere to specific rules set out by professional bodies – for example, solicitors must adhere to the rules made by the Council of the Law Society of Scotland which includes rules on conflict of interest (see link attached).

<https://www.lawscot.org.uk/members/rules-and-guidance/rules-and-guidance/section-b/rule-b2/rules/b2-1-conflict-of-interest/>

3.3 You should separately be aware that you may be subject to criminal proceedings where you act inappropriately. Disciplinary action may follow any such misconduct regardless of prosecution.

3.4 A decision by Revenue Scotland could be open to legal challenge, and could be set aside, if the private interests of any person substantively involved in the decision-making process were such as to give rise to a reasonable presumption of bias. Persons "substantively involved" could include not only the decision-taker but also others who contribute to the decision by, for example, research or advice. Any person who felt aggrieved by such a decision may seek to challenge the decision in the Courts or Tribunals on the grounds of bias. In law the possibility of conflict of interest does not necessarily stop with consideration of financial interests held by the individual. Bias could be alleged in respect of the interests of anyone with whom such a person substantially involved in the decision has a close family, domestic or other relationship.

3.5 Any conflict of interest that arises which may impact upon Revenue Scotland's functions must be disclosed and mitigating actions taken.

#### What do we define as "a conflict of interest"?

3.6 Conflict of interest is difficult to define absolutely. In practical terms it arises when the impartiality of any decision that you make could be called into question. Even if there is no *actual* partiality, the appearance of, or potential for partiality is likely to be enough to create a conflict of interest.

3.7 In the context of the work that you do for Revenue Scotland a conflict is most likely to arise where:

- You, or your spouse, civil partner, co-habitee, or close relative is a taxpayer (as defined by the legislation relating to the devolved taxes administered by Revenue Scotland), or a representative of such a taxpayer;
- You, or your spouse, civil partner, co-habitee or close relative have, or are proposing to acquire a financial interest in a business, or institution with which you may have to deal with in an official capacity;
- You are involved in a public procurement exercise, establishing contracts, with an existing supplier, or recruitment where you, or your spouse, civil partner, co-habitee or close relative is involved;
- You, or your spouse, civil partner, co-habitee or close relative may be in a position of influence in a business or institution – for example, as a trustee of a charity that may

have dealings with RS (as a taxpayer), an employee of another organisation, or a board member of other bodies; or

- As an employee, or shareholder of an organisation, operating in a sector to which tax decisions, or tax operating policy and guidance relates to, and receive indirect or direct benefit from such a decision.

3.8 If you are in doubt about what might constitute a conflict of interest or the proper course of action, as staff, you should consult your line manager. If you are a Board Member, you should consult the Governance Team. The guiding principle is that, when in doubt, it is always better to declare any possible conflict of interest rather than risk being challenged and facing disciplinary or legal action.

3.9 It may be that you have no advance knowledge of a transaction which triggers a conflict as the fact of this may only come to your notice in the course of your work. Therefore the expectation is that you should declare the conflict or potential conflict as soon as you do become aware of it.

3.10 Some examples of potential conflicts are included at **Annex A**.

#### How do we comply with the policy?

##### ***Responsibility to disclose conflict of interest***

3.11 When a conflict of interest is identified this must be disclosed by the relevant member of staff to a line manager and/or the Chief Executive.

3.12 In the case of Board Members, you must declare any conflicts (perceived or actual) to the Chair and/or a member of the Governance Team.

##### ***Mitigating actions for Staff***

3.13 Where a potential conflict of interest is identified, discussions should be held with line management to determine what, if any, appropriate action might need to be taken to mitigate any risks. Some examples of possible action are:

- Delegating the individual's responsibilities in a particular issue to another member of staff;
- Declaring any relevant interests at all meetings to which the interest relates;
- The recording of such potential conflicts in the minutes of meetings; and
- The exclusion of staff from meetings (or parts of meetings) which discuss matters related to their interests.

### ***Mitigating actions for Board Members***

3.14 In order to support Board members to identify areas of potential conflict, prior to any Board papers being issued, the Governance Team will call Board members and ask them to declare any potential conflicts of interest.

3.15 Where a potential conflict of interest is identified, or perceived, a handling decision will be reached and implemented on each conflict. Appropriate action might need to be taken to mitigate any risks. Some examples of possible action are:

- Declaring any relevant interests to the Chair and/or Governance Team before all meetings to which the interest relates; and
- The exclusion of Board members from meetings (or parts of meetings) which discuss matters related to their interests.

### ***Responsibilities***

3.16 Staff members – Individuals must report any conflict of interest to their line manager as soon as they become aware of the conflict, or potential conflict. Any member of staff, who is also a taxpayer, should alert their line manager to allow appropriate separation of duties to occur. If an LBTT penalty notice is issued to a member of staff this must be recorded on the system alongside any appropriate action agreed, or taken.

3.17 Line Managers – To ensure that the policy is known and understood by all staff and that an eHR record is properly kept, and action is taken in line with the policy if necessary. Line managers should make their Team Leader aware of any reported conflict and what action is being taken (in line with this policy).

3.18 Team Leader – To ensure that the policy is universally and consistently applied, including how actions are identified, and informs the Chief Executive in cases where there may be wider impacts, or conflicts.

3.19 CEO and Board members – Individuals must report any conflict of interest as soon as they become aware of the conflict, or potential conflict – the CEO will report on any conflicts through the established SCS process, and Board members to the Chair (the Chair similarly to DG Exchequer). If anyone within this category is also a taxpayer then they should alert those highlighted in the chain earlier to allow appropriate separation of duties to occur. If a penalty notice is issued then this must be recorded on the tracker and appropriate action taken.

3.20 In order to ensure that awareness of this policy, related policies and their expectations remain high, all those covered by these policies should read this annually. In order to record

that this is undertaken, a reference will be added to the Mandatory Training Tracker. A section will also be added to the induction process to cover this matter.

3.21 A report will be submitted by the Governance Team to the CEO quarterly on all conflicts and actions recorded in the system.

### **Recording Conflicts**

3.22 All conflicts, as indicated at 3.7, should be recorded. The means by which conflicts are recorded are listed below:

- a) **All Staff (excluding the CEO)** – should record any conflicts through the eHR system. Detailed guidance is attached at the link below. Your line manager will automatically be notified of the addition to your personal record. All recorded conflicts will be routinely reviewed as part of monthly performance conversations with any changes and/or new actions recorded to the eHR system once agreed.

On eHR go to: Employee Self Service > Case Management – Employee > Register of Interests.

<http://saltire/my-workplace/conduct-and-discipline/standards-of-conduct/Pages/propriety.aspx?pageid=95c0ea7e-2a39-41db-a513-9fb213d00e66>

- b) **CEO** will continue to report on any conflict through the established SCS process.
- c) As indicated at 3.13, **Board members** must record any conflict of interest on the form attached at **Annex B**. This record will be held by the Chair – supported through the Board secretariat to ensure regular reviews are undertaken. This should also include historic records.

## **4. Exceptions**

4.1 There are no exceptions to this policy.

## **5. Enforcement**

5.1 Line managers are to ensure that this policy is followed after discussion with staff during Monthly Conversations and otherwise as appropriate. Non-compliance will be escalated to senior management.

5.2 For Board Members, the Chair should agree and record relevant actions (in **Annex B**) with the individual and ensure that these are taken forward.



5.3 Any deliberate failure to make a disclosure will be considered a matter of misconduct.

## 6. Review

6.1 This document is subject to review at least annually.

## Annex A – Examples of Potential Conflicts

1. A manager and a member of staff who they manage are dating, or are in a long term relationship.
2. A member of staff with the authority to purchase, or procure goods, or services on behalf of Revenue Scotland receives a quote, or tender from a business that is owned or run by a close family member or relative.
3. An employee who is a member of a recruitment panel is related to a job candidate being interviewed.
4. An employee who has access to SETS is buying a house and is due to submit an LBTT tax return and pay LBTT.
5. A relative of a member of the finance team is claiming a repayment of LBTT and/or ADS.
6. A staff member's friend or family member is about to purchase a property where tax is a consideration. The staff member knows that this case will fall within their remit where they would have the opportunity to amend the return made.
7. Whilst carrying out their duties for Revenue Scotland, a staff member comes across correspondence, personal information, or a tax return for a person who they recognise as a relative or close friend.
8. A family member or close friend works for a stakeholder organisation and as a result of their position in that organisation, the person has regular contact with Revenue Scotland.
9. A relative or close friend acts as an agent for taxpayers and submits tax returns to Revenue Scotland on their behalf.

**Annex B - Conflict of Interests Register**

Name of Staff Member	Conflict(s) Declared	Date	Action(s)