

Report 16.396
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Committee Finance, Risk and Assurance Committee
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Tax Risk Governance Framework and High Level Tax Compliance Review

1. Purpose

For the Finance, Risk and Assurance Committee to receive the Pricewaterhouse Coopers (PwC) Tax risk governance framework and indirect tax compliance review report.

The tax risk governance framework sets out how GWRC will meet its tax compliance obligations.

The indirect tax review is to give independent assurance that that GWRC is compliant with its indirect tax obligations.

2. Background

2.1 Tax Risk Governance Framework

GWRC has engaged PwC to put in place a comprehensive tax framework to take a proactive tax risk management approach and provide additional assurance on tax compliance (**Attachment 1**).

Given the high profile and public nature of Council, there is a need to adopt a conservative approach towards tax compliance. Accordingly GWRC will adopt a 'LOW' risk tax profile.

The framework outlines tax risk management strategies, responsibilities for tax issues, and reporting requirements to the FRAC.

2.2 High Level Tax Compliance Review

GWRC also engaged PwC to complete a tax compliance review of the Council's indirect taxes – GST, Fringe Benefit Tax, PAYE and Withholding Tax (**Attachment 2**).

Overall, PwC concluded that GWRC maintains a high-level of tax compliance. Of the matters identified in the report, most represent tax opportunities for GWRC to consider, as opposed to areas of tax risk.

GWRC are now implementing the recommended actions identified by the review (**Attachment 3**).

Income tax was not in the scope for this review. Deloitte currently provide income tax services for GWRC.

3. The decision-making process and significance

No decision is being sought in this report.

4. Engagement

Engagement on this matter is unnecessary.

5. Recommendations

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*

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Attachment 1: PwC Tax risk governance framework

Attachment 2: PwC Indirect tax review

Attachment 3: PwC Indirect tax review – management comments