



Llywodraeth Cymru  
Welsh Government

## PUBLICATION

# Interdepartmental agreement

This document details how the Welsh Revenue Authority (WRA) and Welsh Government (WG) work together to ensure appropriate governance, accountability and collaborative working.

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WRA is a Department of WG. It is non-ministerial. This means that whilst it is fully part of Welsh Government, there is a separation between Welsh Ministers and WRA in respect of the data which WRA holds and the operational decisions which WRA makes. Its general function and responsibility is the collection and management of the Land Transaction and the Landfill Disposal devolved taxes.

Within this context, the overall purpose of WRA is to:

- design and deliver Welsh national revenue services
- lead the better use of Welsh taxpayer data for Wales

This document replaces previous versions of the framework document.

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# Part 1: Governance and management

In order to deliver the devolved Welsh taxes, the Wales Act 2014 gave the Senedd the legislative competence to appoint civil servants to a crown body with the functions of the management and collection of devolved taxes and local government finance matters. The Tax Collection and Management (Wales) Act 2016 establishes WRA to collect and manage devolved taxes.

## Corporate planning

WRA will prepare a Corporate Plan to be submitted to the Welsh Ministers for approval no later than 31 March at 3 yearly intervals. Approval is subject to any modifications as agreed between Ministers and WRA. Following approval, the plan will be laid by WRA before the Senedd and published.

Welsh Ministers will also set out in a periodic remit letter the areas of focus in line with the three-year Corporate Plan. The letter will set out the budget available for the planning period.

WRA may review and submit a revised plan at any stage for approval. Welsh Ministers may issue a revised remit letter at any stage.

## Roles and responsibilities

There are 3 parties crucial to the effective management of WRA. These are:

- Welsh Ministers
- the WRA Board [\[footnote 1\]](#)
- the WRA Chief Executive

Each of these have distinctive, yet complementary roles in the management and

leadership of WRA.

**Welsh Ministers** are responsible for the Welsh tax system and its delivery by WRA. The Minister with specific responsibility (the Minister) sends the remit letter to the WRA Chief Executive which confirms the funding available over the period and highlights the priorities WRA should focus on over the same period. The Minister will meet the WRA Chief Executive at least quarterly to discuss WRA's performance. The Minister will meet with the Chair of WRA bi-annually. One of these biannual meetings will be with the entire board.

The Minister can give directions of a general nature to WRA <sup>[footnote 2]</sup>. WRA must comply with these directions. The directions cannot relate to the accounts or tax statement.

The Minister can direct the WRA Chief Executive as she/he ordinarily would with a Civil Servant. But such directions may not include specific directions in regard to individual taxpayers and nor should such directions be informed by access to individual identifying records.

**The WRA Board** are accountable for appropriate discharge of the tax functions delegated to WRA. The Board provides assurance that WRA has appropriate governance arrangements in place and is suitably managed and resourced to exercise the duties that flow from the tax functions. They are accountable to the Senedd and Welsh Ministers.

The Board delegates functions to staff of WRA as specified in the schedule of internal delegations. The Board, however, remains accountable for the exercise of those functions.

The Board supports the organisation in delivering its objectives. Their full responsibilities are to be found in their terms of reference.

**The WRA Chief Executive** is a senior civil servant and member of the Board.

The Chief Executive is the Accounting Officer (AO) (see below section on financial accountability). She or he holds ultimate line management responsibility for all WRA staff and is accountable for delivery of WRA's agreed objectives as specified in the Corporate Plan or remit letter. The Chief Executive's personal objectives are agreed with the Permanent Secretary.

The Chief Executive is appointed under the Tax Collection and Management Act 2016 (TCMA) and line managed by the Permanent Secretary of the Welsh Government.

## **The staff of WRA**

All WRA employees are civil servants. They are bound by the Civil Service Code and appointed in line with Constitutional Reform and Governance Act 2010. Their terms and conditions are aligned to those of WG civil servants.

## **Part 2: Financial management, accountability and resources**

### **Accounting Officer**

The Chief Executive is WRA's AO. The AO is responsible for ensuring WRA operates in accordance with managing Welsh public money. They sign the Annual Report and Accounts, as well as the Tax Statement. They are personally accountable for the deployment of WRA resources in line with the requirements specified by the Welsh Ministers. The Chief Executive may be called to give evidence to the Public Accounts Committee.

The Permanent Secretary of the Welsh Government is the Principal Accounting

Officer (PAO). An Accounting Officer Agreement has been established between the PAO and the AO.

## Funding

As part of the draft Budget process (including supplementary Budgets, as appropriate), WRA will be invited to identify its resource needs. The Welsh Ministers will consider WRA's resource needs alongside those of other WG departments and consider how to allocate resources to ensure WRA has sufficient funding to meet its statutory obligations and meet its commitments in the corporate plan and Ministerial remit letter.

Where agreement for the budget for WRA cannot be reached, there will be a right of representation. In the first instance, this will be between the Chief Executive, the Director of the Welsh Treasury and the Permanent Secretary. If agreement cannot be reached at official level, there will be a right of representation between the Chief Executive of WRA and the Welsh Ministers.

The Minister will send a remit letter to the CEO to confirm WRA's budget at the beginning of each financial year and following any changes.

The WG will make monthly funding payments to WRA in accordance with an agreed expenditure profile.

## Payments into Welsh Consolidated Fund

WRA must pay amounts collected in the exercise of its functions (tax, penalties and interest) into the Welsh Consolidated Fund, but WRA may do so after deduction of disbursements by way of repayments of devolved taxes (including interest on such repayments) and credits in respect of devolved taxes.

Cleared funds within the tax account will be paid over to the Fund as determined by WG.

## **Annual report and accounts**

For each financial year WRA will produce an annual report, accounts of expenditure incurred in the fulfilment of its statutory functions, as well as tax statements detailing the revenue collected for each of the devolved taxes and payment of that revenue into the Welsh Consolidated Fund. The annual accounts and tax statements will be audited by the Auditor General for Wales, or by auditors appointed by him/her.

The annual report, audited accounts and tax statements will be laid before the Welsh Parliament and will be published on WRA's website, as well as both the National Library for Wales and the British Library websites. A copy will be provided to WG in advance of publication.

## **Funding exceptional costs of litigation**

There is a separate agreement in place between Welsh Ministers and WRA which details arrangements for WRA to access additional funding to address exceptional costs to litigate tax disputes where required.

## **Footnotes**

[1] As constituted by s2 TCMA 2016 and comprised of a Non-Executive Chair, Non-Executive Members, Executive Members and Staff Elected Member.

[2] s15 TCMA 2016

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