

The Taxation Disciplinary Board Limited Chair's Report for the year ending 31st December 2023

I would like to put on record my thanks on behalf of the Directors to my predecessor, Susan Humble, from whom I took over as Chair on 1st February 2024.

John Whiting stood down as the director appointed by the Chartered Institute of Taxation in May 2023 and was replaced by Dan Lyons. Elizabeth Fullerton-Rome stood down as a lay director of the company in May 2023 but as a result of delays to the recruitment process was not replaced as a lay director until 2024 when Jane Brothwood joined the board. The Articles of Association currently prescribe two lay directors but a resolution to amend the Articles to allow for the appointment of either one or two lay directors has been tabled for the company Annual General Meeting.

2023 was a year of transition for the company, with the establishment of new arrangements for day-to-day management, with the appointment of Sarah Gardiner as Executive and Strategy Officer and the outsourcing of front-line complaints handling and case management to the Professional Standards team within CIOT and ATT.

For a significant part of the year there were vacancies within case management resulting in delays in the processing of cases, which was reflected in operational performance. The team is now up to full strength and is reported to have capacity to both handle the flow of incoming cases and to reduce the backlog of cases to meet the target the company has set itself for no case over which we have control (i.e. we are not awaiting the outcome of third party proceedings) taking more than 12 months from the complaint being received to the completion of the Disciplinary Tribunal's proceedings, and the median time from complaint to completion being no more than 6 months. To support the flow of cases moving through to completion, a programme of recruitment for legally qualified chairs and panel members for the Disciplinary Tribunal was undertaken. In addition, the Regulations were amended to allow for uncontested cases to be resolved through the introduction of Consent Orders (following example of most other professional regulators), which means that some cases can be closed at the Investigation Committee stage, sparing the members involved both the cost and personal stress of a full Disciplinary Tribunal hearing.

During 2023, TDB received 103 complaints about members of the sponsor organisations, more than double the number received in any of the previous three years. It appears that the increased rate of complaints has continued into 2024.

Of the 2023 complaints, 33 were against ATT members, 56 against CIOT members, and 14 concerned joint members. 31 came from members of the public, 17 were notified by another professional body, 1 came from HMRC, 5 came from Tax Watchdogs, 45 were referred by either ATT or CIOT, and 4 came from an employer.

19 of the cases referred to TDB in 2023 were closed without proceeding to the Disciplinary Tribunal (14 concluded with no further action, 1 concluded at the Investigation Committee stage, and 4 addressed through an administrative fixed penalty). 84 cases remained open at the year-end, of which 54 were still at the review stage (at least partially reflecting the delays arising from staff shortages during the year) with the remaining 30 cases being at some point in the process between readiness to proceed to the Investigation Committee through to settlement of a cost order following a finding by the Disciplinary Committee. In addition to the complaints from 2023 remaining open at the end of December 2023, a further 23 cases remained open relating to complaints brought in previous years, of which 7 were delayed by third party proceedings.

Of the 2023 complaints 12 were AML related. 5 were dealt with by fixed penalty fines of which 2 were paid by the end of 2023. 1 case was awaiting consideration by the Investigation Committee and 1 case awaiting a DT hearing. 1 case was closed and the remaining 4 cases were under review.

During 2023 there were 9 Disciplinary Tribunal hearings resulting in 2 expulsions, 1 suspension and 6 censures. The Investigation Committee met on 10 occasions to consider 21 cases. 3 were adjourned for further investigation, no prima facie case was found on 1 case, 2 matters were ordered to lie on file and the remaining 15 cases were referred to the Disciplinary Tribunal of which 2 were also referred to the interim order panel who subsequently ordered 1 member be suspended pending the hearing of their matter by the Tribunal.