

# COMMISSIONERS FOR REVENUE AND CUSTOMS ACT 2005

---

## EXPLANATORY NOTES

### COMMENTARY ON CLAUSES

#### *Section 27: Inspection*

162. This section provides for Her Majesty's Inspectors of Constabulary (HMIC) Her Majesty's Inspectors of Constabulary for Scotland (defined as "the Scottish inspectors") and Her Majesty's Inspectors of Constabulary for Northern Ireland (the "Northern Ireland inspectors") to scrutinise how HMRC ensures compliance with the laws, rules and procedures of the criminal justice system.
163. *Subsection (1)* provides for the Treasury to make regulations to enable HMIC, the Scottish inspectors and Northern Ireland inspectors to undertake inspection functions in relation to the Commissioners for HMRC and the officers of Revenue and Customs.
164. *Subsection (2)(a) to (e)* lists the matters in relation to which regulations may be made.
165. *Paragraph 2(a)(i)* provides for HMIC to carry out a programme of inspections in HMRC in England and Wales similar to those carried out by them of Police Forces in England and Wales. The approach is not simply to apply the relevant provisions of the Police Act 1996 because arrangements will need to be tailored to the circumstances of HMRC.
166. *Paragraph 2(a)(ii)* provides for the Scottish inspectors to carry out a programme of inspections in HMRC in Scotland similar to those carried out by them of Police Forces in Scotland. The relevant provisions of the Police (Scotland) 1967 Act may be applied or modified to meet the circumstances of HMRC.
167. *Paragraph 2(a)(iii)* provides for the Northern Ireland inspectors to carry out a programme of inspections in HMRC in Northern Ireland similar to those carried out by them of the Police Service of Northern Ireland. The relevant provisions of the Police (Northern Ireland) 1998 Act may be applied or modified to meet the circumstances of HMRC.
168. *Paragraph 2(b)* provides for Ministers and the Commissioners for HMRC to require the carrying out of specific inspections of functional business activities of, and operational business units within, HMRC.
169. *Paragraph 2(c)* provides for reports on inspections to be made. Such reports may be edited according to provisions in the regulations and then published. Examples of reasons for editing might include national security or where it is felt that individual's safety might be jeopardised. It is expected that the regulations will specify that reports shall be made to the Chancellor and the Commissioners for HMRC.
170. *Paragraph 2(d)* provides for an annual report by HMIC. It is envisaged that this report will be made to the Chancellor and the Commissioners for HMRC in respect of the inspections performed in HMRC during the year and be published.

*These notes refer to the Commissioners for Revenue and Customs  
Act 2005 (c.11) which received Royal Assent on 7 April 2005*

171. *Paragraph 2(e)* provides the option for payment arrangements to be made if necessary and appropriate by the Commissioners for HMRC in respect of inspections carried out by HMIC, the Scottish inspectors or the Northern Ireland inspectors.
172. Inspections will not cover the full range of HMRC's activity, but will be focussed on those areas involved in law enforcement where their expertise is most relevant.
173. *Subsection (3)* ensures that there is no duplication between the inspection functions under the section and wider public audit functions by providing that an inspection by HMIC, the Scottish inspectors or the Northern Ireland inspectors should not cover the issues of overall efficiency, effectiveness and economy in use of resources that are conducted on behalf of the Comptroller and Auditor General under the National Audit Act 1983.
174. *Subsection (4)* requires that an inspection, or any part of inspection, of HMRC activities in Scotland should be performed jointly by HMIC and the Scottish inspectors.
175. *Subsection (5)* provides that the regulations to be made under *subsection (1)* are to be made by Statutory Instrument subject to annulment by either House of Parliament (negative resolution procedure).
176. *Subsection (6)* defines the term "Scottish inspectors" as those inspectors of constabulary appointed under the Police (Scotland) Act 1967 and the "Northern Ireland" inspectors as those inspectors of constabulary appointed under the Police (Northern Ireland) 1998 Act.