



Awdurdod Cyllid Cymru
Welsh Revenue Authority

Annual Report and Accounts 2023 to 2024

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Chair's overview



It's always interesting to look back and reflect, and my second year as Chair of the WRA has presented us with a steady balance of opportunities and challenges.

In our sixth operational year, we've seen people who've been with us since the beginning use their experience to take them on exciting journeys across the public sector. I chose to move from financial services into the public sector when I returned home to Wales. And so, I'm particularly proud we've helped develop people who can continue to support Welsh public services.

We also started work on designing a visitor levy service for Wales. We're doing this work ourselves and increasing our capability in the skills required, particularly around digital, which has a competitive recruitment landscape. I see this as an opportunity to strike a healthy balance – by nurturing our own digital talent in-house and accessing expertise and specialist skills from external sources.

We're fundamentally a people organisation. And what sets us apart is our culture – being innovative, collaborative, and kind. It's our USP. Our people take pride in what they do because of the culture we've built and cultivated together. This year all the teams have worked hard to retain that culture as we've welcomed new people, maintained existing services, and prepared for the visitor levy.

I joined the WRA as we started the journey delivering against our second [corporate plan](#). I look forward to reflecting on our final year of delivery as we work together to shape our next corporate plan to deliver excellent public services for Wales.

A handwritten signature in blue ink that reads "Ruth Glazzard".

Ruth Glazzard
Chair of the WRA

Performance report: Chief Executive's overview



This is our sixth Annual Report and Accounts since we began to collect devolved taxes in Wales. The report contains signs of our continued evolution. It demonstrates how Our Approach - a Welsh way of doing tax – has continued to be effective. And, as you might expect, it shows how things have moved on both for us and taxpayers.

This year, while continuing to manage existing areas of tax risk, we've systematically explored new areas too. It's been good to see how, for the most part, taxpayers and agents have been getting their tax right. This is positive evidence of the devolved tax system working well. We've found opportunities to offer further support and identified areas where we needed to investigate and intervene too. This wider exploration has supported our view that Our Approach continues to be the right way to operate and as a way of working can be developed as we go.

We also reached a high watermark in protected revenue. This shows the value of our diligent efforts to ensure the right amount of tax is paid. But it also shows that some areas of our devolved tax system don't work as well as we'd like. We'd all rather taxpayers paid the right amount first time!

We've underspent more than in previous years, mainly due to not being able to fill all our operational posts throughout the year. We've been lucky as this period has also coincided with a downturn in the housing market and therefore lower volumes of some work. Part of this story, is that we have seen more turnover this year than in previous years as people naturally look to do new things having been with the WRA for the past 5 to 6 years. It's great to see how many left on promotion, showing how they've developed in their time at the WRA.

Beyond our operational delivery, this year we've also been working closely with the Welsh Treasury to prepare for the introduction of a visitor levy in Wales. We've begun to explore with stakeholders, including accommodation providers and local authorities, how a visitor levy service could work for them. At the same time, we've started building our capability and capacity to develop this new service, which we'll collect on behalf of the local authorities that opt in. Thank you to everybody who's engaged with us so far.

In terms of our ongoing development as an organisation, we've also begun to lay the foundations for a more service-oriented way of working. We've embedded the use of agile ways of working and multi-disciplinary teams. I'm confident that this'll help us to embrace the opportunities ahead. I'd like to thank everybody at the WRA for their excellent work, our stakeholders for their ongoing support and, of course, for the continued collaboration of our taxpayers and agents. Diolch o galon.

Dyfed Alsop
Chief Executive of the WRA

About us

We manage Land Transaction Tax (LTT) and Landfill Disposals Tax (LDT) on behalf of the Welsh Government.

- LTT is paid when you buy or lease a building or land over a certain price
- LDT is paid when waste is disposed of at authorised or unauthorised landfill sites

By managing these devolved taxes, we raise vital revenue to support local services, such as the NHS and schools, in communities across Wales.

We make sure taxes are collected fairly, efficiently and effectively. We do this through [Our Approach](#).

We're also supporting the Welsh Government on the [implementation of a visitor levy](#). Through this, local authorities could opt to charge the levy on overnight stays.

Our purpose and strategic objectives

We set out our purpose and our strategic objectives in our [Corporate Plan 2022 to 2025](#).

Our purpose is agreed with Welsh Ministers and is to:

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

Our objectives help us deliver our purpose by:

- making it easy to pay the right tax
- ensuring we're fair
- enhancing our capability
- being efficient



Our people and culture

We're an organisation of more than 80 people, with skills and experience spanning 14 different professions.

Our culture – being innovative, collaborative and kind – fuels high engagement, continual learning and inclusion.

The way we work empowers our people to continuously improve our services. And we're committed to supporting our people to develop in their roles.

Having capable people doing jobs they enjoy translates into excellence in our day-to-day services for our users. And it future proofs us as an organisation.

Our Approach

We've developed 'Our Approach' – a Welsh way of doing tax – to explain how we work with taxpayers and agents to help them pay the right tax first time.

Our Approach underpins everything we do. It was inspired by 3 Welsh terms:

- 'Cydweithio' means 'to work together' and carries a sense of working towards a common goal
- 'Cardarnhau' suggests a solid, robust quality that can be relied on. This is about providing certainty, being accurate and reinforcing trust
- 'Cywiro' literally means 'returning to the truth' and is about the way we work with you to resolve errors or concerns



Cydweithio | Cadarnhau | Cywiro

We believe this approach helps us deliver a fair tax system for Wales and the best value for money.

Performance summary

As we set out in our corporate plan, we've created measures to focus our activity for the planning period. We summarise the main measures in this section, alongside a more detailed narrative in 'Performance analysis'. We explain more about our how we approach tax risk in that section too.

How people find dealing with us

- Objectives: easy, fair and capable.
- 2025 target: as many people as possible find it easy to use our services.
- 2023 to 2024 performance: 93% of people found it easy to use our services, which was very marginally down on the previous year.

Support people to get their taxes right

- Objectives: easy, fair and efficient.
- 2025 target: support people to get their taxes right.
- 2023 to 2024 performance: we estimate that 97.6% of taxpayers paid the right tax, marginally down on last year, partly due to a change in the way we measure this.

Reduce the scope for tax risks

- Objectives: easy, fair and efficient.
- 2025 target: support people to get their taxes right.
- 2023 to 2024 performance: we're changing the way we measure this to include cases that are initially awaiting tax risking. We'll be able to say more about the trends in these new measures next year.

Timeliness of filing

- Objectives: easy, fair and efficient.
- 2025 target: 98%.
- 2023 to 2024 performance: 99% of cases were filed on time, up slightly on the previous year. Our average time to file decreased throughout the year.

Timeliness of paying

- Objectives: easy, fair and efficient.
- 2025 target: 98%.
- 2023 to 2024 performance: 97% of cases were paid within 30 days, which is slightly better than last year but narrowly below our target.

Timeliness of higher rate refunds

- Objectives: easy, fair and efficient.
- 2025 target: 95% processed in 30 days and 98% in 60 days or fewer.
- 2023 to 2024 performance: 94% of higher rate refunds were made within 30 days, which is just short of our target. Most that missed were then paid within 60 days, and the average time to pay a refund was only 9 days.

Timeliness of handling debt

- Objective: fair.
- 2025 target: 90% of debts paid within 30 days and 98% within 90 days.
- 2023 to 2024 performance: 88% of transactions that became a debt were paid within 30 days, narrowly below our 90% target. However, this measure fluctuates due to the small number of cases that now enter debt, and we're considering other measures for our next corporate plan.

Payments made correctly first time

- Objective: easy.
- 2025 target: maximise the number of payments correctly made first time
- 2023 to 2024 performance: almost 95% of payments were made correctly first time, very marginally down on the previous year.

Extent of automation

- Objective: efficient.
- 2025 target: 98% of transactions completed without requiring manual intervention.
- 2023 to 2024 performance: over 94% of our transactions required no intervention, which is up on the previous year, and slowly increasing, but still a little short of our ambitious 98% target for this measure.

How our people feel

- Objective: capable.
- 2025 target: top 25% of Civil Service organisations for engagement.
- 2023 to 2024 performance: we ranked in the top 3 Civil Service People Survey organisations for overall employee engagement levels in 2023.

Our skills mix

- Objective: capable.
- 2025 target: maintain breadth of professions and develop our Welsh language skills.

- 2023 to 2024 performance: we currently employ people from across 14 different professions and 47% of them know at least some Welsh, with 15% fluent or nearly fluent.

Diversity

- Objective: capable.
- 2025 target: be an inclusive organisation that values and involves people, regardless of their background or circumstances.
- 2023 to 2024 performance: according to our latest Civil Service People Survey results, our overall score for inclusion and fair treatment is 90%.

Our [performance annex](#) has the detailed data, both current and historic, for the more complex indicators.

Performance analysis

We saw a continued downturn in LTT transactions during the year – a trend that started in the last quarter of 2022 to 2023. In total, we saw just under 50,000 transactions. We anticipated this reduction in LTT transactions, which reflects the downward trend in the housing market.

For LDT, we recorded around 1.1 million tonnes of waste disposed of at authorised landfill sites in Wales. This figure was down nearly 15% compared with the figure (1.2 million tonnes) for 2022 to 2023. Within this, we recorded a fall of over 30% in standard rate waste disposals. Lower rate waste disposals rose slightly, while the weight of relieved or discounted disposals fell by around 20%.

We crossed the midpoint in delivering against our corporate plan as we entered our sixth year of operations. In our first 6 years, we established ‘Our Approach’ – a new way of doing tax – and matured our knowledge around managing tax risk.

During the reporting year, we evolved our approach to tax risk by becoming more exploratory in our work. We explain this in more detail in this section, and report on our findings and overall work – helping to create a fair tax system for Wales.

Explaining ‘Our Approach’

We work with taxpayers and agents, starting from a position of trust and supporting them to pay the right amount of tax.

We focus our resources on supporting people to get it right across both LTT and LDT. As a result, we estimate the majority (97.6%) of taxpayers paid the right tax during the year, according to our data.

Nearly **98%** of LTT transactions were right first time – achieved by working together with taxpayers and agents.



We recognise there will, however, be times when people get things wrong. We proactively try to identify circumstances where there’s a higher likelihood of taxpayers paying the wrong amount of tax. These are what we call tax risks.

We take action to make sure taxpayers and agents pay the right amount of tax in these instances. We do this in several ways, for example:

- comparing our data with other data sources
- contacting taxpayers informally
- running educational webinars

At times, we need to intervene to make sure a taxpayer or agent pays tax that would otherwise have remained unpaid without our involvement. We call this tax protection or tax recovery. We explain more about this work in the wider report.

Exploring new tax risks

We've built on the solid foundations we made in our first 6 years of operations in establishing tax risk by becoming more exploratory in this area. We've widened our focus and introduced new LTT risks in addition to our established LTT risks.

To expand on this work, we:

- changed our ways of working on our established LTT tax risks by contacting more taxpayers and agents where potential risks were flagged in their tax return
- committed resource to explore several potential new LTT tax risks
- made good progress around LDT risks in addition to LTT

Expanding our tax risks, based on our knowledge, in this way is a sign of our maturity as a tax authority. Our exploratory work will help us determine where we focus our efforts to manage risk in the future.

LTT risk

In October 2023, we started our new way of managing established LTT tax risks. As this work is in its infancy, it's too early to draw any firm conclusions. But we're pleased with the results so far.

We think they demonstrate that by working with taxpayers and agents more people have paid the right tax. This is because:

- where we've identified errors, the majority have been keen to put things right as soon as they could
- we supported them to put things right and worked with them to understand how the error happened, so we can identify changes that might prevent these errors happening in the future
- in other instances, working closely with them has given us further information to show there is no risk at all
- we've used this information to help refine our risking profiles

By being supportive in the way we manage tax, we've built more trust with agents and taxpayers and our conversations with them have matured.

Our work looking at potential new tax risks shows that most people are trying to get it right first time. Even where we see risk, this is still only in the minority of transactions. Although our work on new tax risks is exploratory, we welcome these early results.

How we measure LTT risk

We've changed our ways of working on our established tax risks, so we're unable to compare the data with previous years. This is because there are differences in how we count potentially risky transactions.

This is how we count risky transactions now:

- we still take out cases where the response from the taxpayer shows the tax return is correct
- the number of transactions that are potentially risky is not immediately reduced by as much as our previous approach
- instead, we count all the remaining transactions in each of our tax risk profiles as our initial measure of tax risk
- this retains an incentive for us to look further into those transactions, and to ultimately reduce the measure as we address any tax risk present

The table below shows the data from our new way of working on our established tax risks. In future we'll be able to use this as a baseline for the tax risks in these established profiles. It shows the total number of cases across several tax risk profiles. We'll use this information to assess how those tax risks change.

Risk cases by profile since the new approach began in October 2023

Quarter (Qtr) transaction was received	LTT risk 4: tax treatment of different property types	LTT risk 5: in relation to a specific relief (relief a)	LTT risk 6: landlords potentially avoiding higher rates	Other risks	All identified risks
2023-24 Qtr 3	170	65	15	20	275
2023-24 Qtr 4	80	40	20	15	155

All counts are independently rounded to nearest 5 and may not add exactly.

Around 50 to 60 cases per quarter previously categorised as LTT risk 4 have been removed since 1 January 2024. This is due to a low level of concern associated with a specific aspect of the wider risk. However, we'll continue to monitor these cases.

Our data applies from 1 October 2023, when we changed our ways of working on the established tax risks. You can access data and charts for our established tax risks (up to 30 September 2023) in our [annex to our annual report](#).

Our central measure of performance for tax risk is the percentage of transactions that are right first time. The change in our ways of working, and the new tax risks

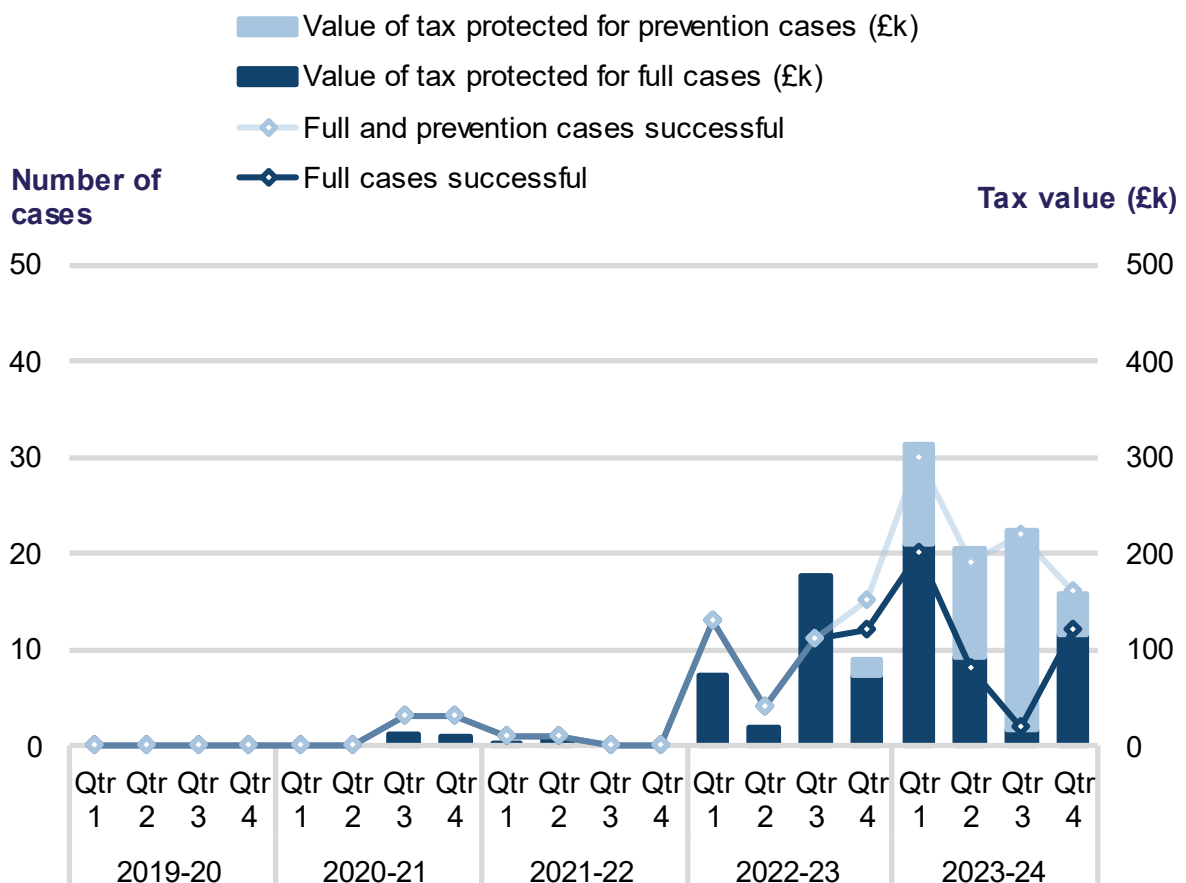
we're exploring, means that we're rebasing this measure. Regardless of these changes, our best estimate is that 97.6% of transactions are right first time. This is still close to the total proportion (nearly 98%) we reported on last year. We expect this percentage to drop again slightly next year as our work around new tax risk gathers momentum and we explore a greater number of tax risks.

LTT protection

Tax is protected if we find that a claim to reduce the tax due on a transaction made more than a year after the tax return is invalid or incorrect. We try to work with taxpayers where we think their claim is invalid or incorrect to reduce the claim to nil. When this is not possible, we open a tax enquiry.

We increased tax protection activity significantly in the year, as shown in chart 1. We closed nearly 100 cases, protecting nearly £900,000 of tax – more than double the total amount protected in 2022 to 2023.

Chart 1: Number and value of cases where LTT tax was protected



We focused our tax protection efforts in 2 areas:

1. Addressing invalid claims

Many of these cases relate to invalid claims around properties being derelict at the time of purchase. If evidence shows the criteria are met for a derelict property, the cheaper non-residential rates would apply.

We became aware of growing numbers of marketing schemes, carried out by third-party agents, which encourage taxpayers to apply for a tax refund. Very often taxpayers were not entitled to a refund. In nearly all instances where we acted, we reduced the claim to nil and were successful in protecting tax. We would encourage any agent or taxpayer to contact us if they're uncertain about their tax position. This would help us – and the taxpayer – get things right sooner.

We invested significant resource in this work. It was important because we need to take action to correct matters if people are getting things wrong. We're exploring new ways we can systematically stop these invalid claims being made in the first place. This change would benefit both the taxpayer and us.

2. Changing our processes

We tried a new way to prevent the need to open a tax enquiry. We trialled this so we could place more focus on supporting people to get the tax right.

This new process enabled us to use resources more efficiently and focus more on supporting people to get the tax right. We contacted taxpayers when we identified that their claim was incorrect to explain this and seek agreement to reduce their claims to nil. We saw some positive outcomes as a result of this work, as shown in lighter blue on chart 1. It's more efficient to work in this way, and you can see from the chart that we did a particularly high number of protection cases in 2023 to 2024 Quarter 3.

Taxpayers have welcomed this way of working, which we'll continue to use to help reduce the number of enquiries in future.

LTT recovery

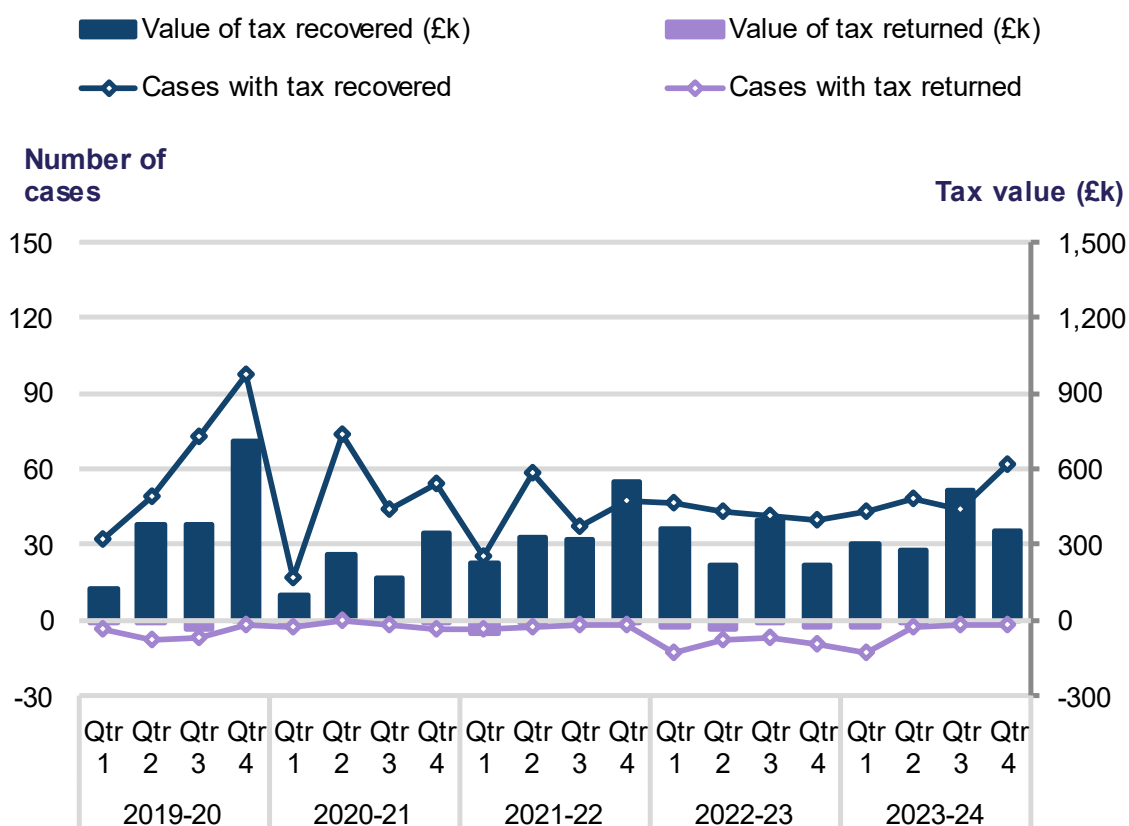
Tax is recovered if we find the right amount of tax has not been paid, and we take steps to ensure that the right amount of tax is paid in full. There's been significant tax recovery activity over the last 6 years, with over £6.5 million of tax recovered across over 1,000 cases since 1 April 2019, as shown in chart 2.

We've seen a far smaller amount of tax returned. But it's still of some significance, and it's important to note this point in our aim to be fair and make sure the right amount of tax is paid.

Very occasionally a risk results in a reduced tax figure, and we return the overpaid tax to the taxpayer. We have a risk profile to proactively look for instances where tax appears to be overpaid at the outset, which is important in ensuring the right tax is paid at the right time. Alternatively, new information may come to light during an

enquiry that confirms tax needs to be returned. You can see the work we have done this year in chart 2.

Chart 2: Number and value of cases where LTT tax was recovered or returned



How we calculate tax recovered

- We track tax recovery by totalling the additional tax due from closed enquiry cases.
- We summarise the total recovered tax by the quarter when the amendment is made. This is unlikely to be in the same quarter in which the risk is identified, because it takes time to investigate and agree the additional tax due.

Chart 2 shows that the tax recovery profile over time varies, both in terms of the number of transactions we recovered additional tax from and the amount of tax recovered. This is because some tax risks are more complicated than others, and some tax risks have higher values of tax that is incorrect.

As an example, in 2019 to 2020 most of the activity was around a simpler risk in lower-value cases, which we stopped. Since then, many of the tax recovery cases have been more complex, and often of higher value. Despite the additional

complexity, our tax recovery work in 2023 to 2024 totalled almost £1.5 million – a similar amount to the peak of 2019 to 2020.

LDT

We manage LDT through a dedicated team of customer relationship managers who work closely with the 17 landfill site operators (LSOs) in Wales to help them get their tax right from the start. Our customer relationship managers are a single point of contact within the WRA for LSOs to go to with any questions or concerns. This system helps us to understand each LSO's unique business model and identify and mitigate risk by working closely with them.

To support this work, we've built a strategic partnership with Natural Resources Wales (NRW) that allows us to share information and to draw on their waste sector and environmental expertise.

There are 3 rates of LDT:

- the lower rate, for specific material such as rocks and soil
- the standard rate, for all other material disposed of at authorised landfill sites
- the unauthorised disposals rate, for material disposed of outside of authorised landfill sites

The Welsh Government sets the rates of LDT. The unauthorised rate is unique to Wales. It's set at 150% of the standard rate and is paid by individuals or businesses that make an unauthorised disposal rather than LSOs that run authorised sites. A person or business may be charged tax at the unauthorised disposals rate where either:

- they made an unauthorised disposal of waste, or
- they knowingly caused or knowingly permitted an unauthorised disposal to be made

Due to the small number of LSOs in Wales we cannot share the same level of information in our reporting on LDT as we can on LTT, as this would risk revealing protected taxpayer information.

LDT risk

During 2023 to 2024 we carried out a range of activity to make sure the right LDT was paid at the right time.

We worked with LSOs to:

- conduct site visits
- answer queries
- discuss potential risks
- understand their business models
- support them in getting things right first time

We continued to use the data we've collected on the more detailed tax return we rolled out in 2021 to 2022 to:

- identify risks and the movement of customers between landfill sites
- update risk assessments
- update risk profiles to ensure that we're identifying and addressing any new risks

The data we collected helped us gain a greater understanding of registered landfill sites. It also assisted us in mitigating risk and taking tax recovery action.

We also developed a joint strategy with NRW for the 2023 to 2026 period, to maximise the impact of our complementary expertise and powers. This joint strategy focuses on the two key areas of LDT tax risk: misdescription and unauthorised disposals. It outlines what we'll be doing to jointly tackle these risks and how we'll be doing it.

1. Misdescription

Misdescription happens when waste is described as meeting the criteria for the lower rate when it should be taxed at the higher standard rate.

We made some good progress on a number of tax enquiries during the year. Most, but not all, of these enquiries involved the misdescription of waste.

NRW supported our enquiries by sharing information it has collected that would be relevant to our cases and providing environmental expertise.

2. Unauthorised disposals

We continued to tackle the risk of unauthorised disposals by investigating cases and charging tax.

We receive cases through referrals from NRW. To increase the number of referrals received, we worked together on joint internal communications to raise awareness of LDT among NRW staff. This resulted in a greater number of referrals coming to our LDT team.

We focus on those cases causing the most environmental harm or undercutting legitimate waste businesses. By charging tax we hope to change behaviour to improve outcomes for the environment, local communities and taxpayers who are doing the right thing.

Timeliness of LTT returns and payments

We measure timeliness by looking at the number of tax returns submitted in time, and the number of payments made on time. During the year:

- nearly 99% of returns were filed on time, that is within 30 days of the effective date of the transaction
- on average, almost 97% of returns were paid within 30 days

- we stopped paper LTT returns for agents to ensure returns were processed in real time, providing efficiencies and increasing accuracy

Timeliness of filing was at nearly **99%** this year, with average of almost **97%** of returns received in 30 days.



We recognise the success of these measures is down to the promptness of our taxpayers and agents, and we thank the majority who file and pay on time.

Debt

If we do not receive an LTT payment within 30 days of the transaction, it becomes a debt. We try to resolve this by contacting the taxpayer and agent to pay the debt. As a result of this activity, we resolved:

- 88% of these debts within 30 days from the date it became a debt
- 96% of these debts within 90 days from the date it became a debt

We exceeded our target of resolving more than 90% of debt within 30 days of it becoming a debt in 5 of the 12 months in 2023 to 2024.

On one occasion the measure dipped below 80%. This is because we temporarily stopped our debt processes over Christmas. Our performance returned to more normal levels in January 2024.

More generally, the number of debt cases remains at the low levels seen towards the end of the previous year. While we welcome low numbers of debt cases, it means the trends in this indicator can be a little unpredictable due to the small numbers available. We'll be considering new measures for debt in our next corporate plan.

Timeliness of repayments

We analyse repayments in 2 ways: looking at the number of higher rate repayments and analysing other repayments.

1. Higher rate repayments

When you buy a property that does not immediately become your main residence, you pay a higher rate of LTT. If you sell your previous main residence within 3 years and the new property becomes your main residence, you're usually entitled to claim back the higher rate element of the tax paid. We aim to minimise how long it takes to make repayments once they're approved.

We paid 94% of higher rate repayments within 30 days of the claim being made, marginally below our target range of 95% to 100%. We took an average of 9 days to make these repayments.

Our performance dropped below these levels in November and December due to a temporary redeployment of resource to cover other activities. This figure returned to normal at the end of the year as resource levels were reinstated.

During the year overall, we paid at least 98% of repayments within 60 days. In most cases where we did not achieve the target, we were awaiting information from the taxpayer. As such, we believe this aspect of our repayment service is working efficiently and fairly.

2. Other repayments

Our current corporate plan refers to performance on all repayments. While the higher rate returns account for around 80% of all repayments, the remaining 20% of cases are important to us as we want to make sure everyone pays the right tax.

Variations in the way we record these cases make it difficult to check the time taken to make individual repayments. We do not have this challenge with higher rate repayments because we have a single case type that lets us join up the data more easily. Instead, with other repayments we use a sample of cases to measure this aspect of our performance. The biases introduced by the sampling we can accurately carry out mean we did not extend our target to cover this aspect. However, our data gives us confidence that we're being efficient and fair in managing these repayments.

Automation

We're committed to being as efficient as possible and providing value for money when delivering our tax services. We use automation to help achieve this.

We've automated 94% of our transactions.

We're committed to being as efficient possible – this year, **94%** of our transactions were automated.



During the year, we stopped accepting cheque payments because we knew from our data that considerably less than 1% of payments were being paid by cheque. We engaged with agents about this change in advance. We thank those who made the move to becoming fully digital for working with us to make this possible.

Our remaining challenges to get automation to our target range largely relate to matching electronic payments received to transactions. To manage this, we implemented an improvement to our matching process in October 2023 that should lead to a higher rate of automatic payment matching. We hope this will, in future, bring us closer to achieving our ambitious target of fully automating 98% to 100% of all transactions.

Responding to user needs

We've built our internal capability around digital development. During the year we made improvements to our external systems to help improve the experience for our users. This included our tax calculators.

Case study: making our LTT calculator accessible

We know taxpayers, agents and sometimes the public use the tax calculators on our website. Our calculators include our land transaction tax calculator, the multiple dwellings relief (MDR) calculator and the higher rate checker.

Some members of the public use them to calculate an estimated payable rate of LTT, so we wanted to make sure all our external calculators were accessible.

We commissioned the Digital Accessibility Centre (DAC) to carry out a review and share recommendations. We wanted to ensure our calculators met accessibility standards outlined in the Web Content Accessibility Guidelines (WCAG).

By law, we needed to meet the WCAG 2.1 Level AA standards. We worked with DAC to ensure we had a thorough understanding of our users' varying needs. We made several changes, including:

- updating the focus order for keyboard-only users
- improving colour contrast
- implementing customised radio buttons and checkboxes

As a result of these changes, we exceeded our requirements and achieved Level AAA. This is the highest possible standard. We also gained knowledge on web accessibility to apply to future digital development.

We received the following general feedback from a member of the public about our LTT calculator:

“This was very easy and simple to use thank you. I would imagine it would be very hard to improve. 10 out of 10. Very happy user.”

Feedback on our services

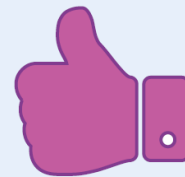
We always encourage agents and taxpayers to share feedback on our services. We welcome feedback to identify what's working so we continue to improve. We particularly welcome feedback about what is not working, so we can put it right or improve our service wherever possible.

We invite user feedback via feedback forms on several of our services. Our data covers those who responded to feedback surveys and may not represent all users.

We capture this feedback to track how we're performing and identify areas that could be developed or improved. Some highlights include:

- our individual service scores ranged from 90% to 97%
- an average of 93% of respondents found our services easy to use
- we recorded peaks in this average of 96% in June, September and December

During this year, an average of **93%** of survey respondents rated our services as easy to use.



We'd like to end this section by recognising our service users. And, in particular, by thanking everyone who contacted us to share feedback. We want to continue this engagement to ensure we continually improve our services and keep our taxpayers and agents at the heart of what we do.

‘Our charter’ performance

We want to work together to deliver a fair tax system for Wales. We developed our charter to help us do this.

Our charter consists of 8 shared values, behaviours and standards developed with taxpayers, agents, other organisations and the public.



We explain what we did for each of these in the year 2023 to 2024.

Value 1: Secure – protect information and respect confidentiality

- See the sections ‘How we manage information and governance’ and ‘Cyber resilience’ in our governance statement for further details.

Value 2: Supportive – provide support when you ask for help. Build easy to use and effective digital services

- We continued to improve our guides, forms and digital services by applying content design skills to make them even more accessible.
- We held 6 webinars offering training to agents on a range of subjects.
- We hosted our first in-person tax forum since coronavirus (COVID-19), which was well attended by agents.

Value 3: Fair – be honest in our dealings with each other. Tackle evasion and avoidance, use powers consistently and proportionately

- We continued to manage tax risk and develop risk profiles, ensuring fairness and consistency across the tax system. We focused on developing new tax risk profiles. Where we find people have overpaid tax, we let them know.
- We supported people to put things right when errors were made. Where people tried to evade or avoid paying the full amount, we identified these cases and took steps to ensure that the right tax was paid to protect revenue.
- We made considerable progress with our work on unauthorised disposals.

Value 4: Engaging – support people to understand devolved taxation and work together to develop it for the benefit of Wales

- We engaged with stakeholders across government at conferences and wider events, ensuring our position and the opportunities provided by tax devolution were understood.
- We communicated with many of our service users to improve our offering.
- We engaged with many future service users on the visitor levy during our discovery work, carrying out research to understand how we'll shape the service.

Value 5: Responsive – listen to each other and be open in our conversations, act on feedback and advice given. Treat each other with respect

- We listened and responded to feedback to further enhance our services. See 'Performance analysis' section for further information.
- We considered our people's wellbeing while reprioritising our work to meet the changing needs of the organisation. See the 'Performance analysis' section.

Value 6: Bilingual – confidence to conduct our business in Welsh and English

- We continued to deliver our services for customers in both Welsh and English.
- We encouraged our people to use their Welsh language skills and offered opportunities to take part in funded Welsh language training at work.

Value 7: Accurate – work together to get things right and correct them if we need to, share accurate data and information, taking reasonable care to avoid mistakes. Keep accurate records

- Our 'Performance analysis' section explains more about our work. For example, we continued to manage tax risk and helped people reduce mistakes relating to MDR and offered ongoing helpdesk and tax opinions services. Nearly 98% of LTT transactions were right first time.

Value 8: Efficient – respond quickly to each other, submit returns and process requests on time. Identify ways we can improve the service

- Our 'Performance analysis' section explains more about our work. For example, over 94% of repayments of higher rates are paid within 30 days, and we've made improvements in areas such as automation.

Management of the Welsh Revenue Authority

Our Board

- Ruth Glazzard, Non-executive Chair.
- Jocelyn Davies, Non-executive Deputy Chair (Interim).
- Mary Champion, Non-executive Member.
- Rheon Tomos, Non-executive Member.
- Jim Scopes, Non-executive Member.
- Dyfed Alsop, Chief Executive.
- Rebecca Godfrey, Chief Operating Officer/Services Director.
- Karen Athanatos, Staff Elected Member (until October 2023).
- Zoe Curry, Staff Elected Member (from October 2023).

Our Tîm Arwain (Executive Committee)

- Dyfed Alsop, Chief Executive and Accounting Officer.
- Rebecca Godfrey, Chief Operating Officer/Services Director.
- David Matthews, Strategy and Capability Director.
- Carl Alexis, Chief People and Communications Officer.
- Robert Jones, Chief Finance Officer (until October 2023).
- Nicola Greenwood, Head of Finance/Deputy Chief Finance Officer (from October 2023).

Financial report

Resource accounts

We receive an annual funding allocation from the Welsh Government to cover our expenditure. We set an expenditure budget each year based on the activities we plan to undertake to deliver our corporate plan. The budget is functionally split into the following broad areas:

- staff costs, including learning and development
- operational costs of collecting the taxes, enforcement action and data intelligence
- corporate running costs, such as human resources (HR), information and communication technology (ICT), facilities, governance and legal advice
- business change to ensure continual improvement to both digital systems and operational processes to support new processes and tax legislation change

Funding allocated to our organisation and drawn down from the Welsh Government is set out in the table below.

Funding allocated and drawn down from the Welsh Government

Funding stream	2023-24 Funding allocation £000	2023-24 Funding drawn £000	2022-23 Funding allocation £000	2022-23 Funding drawn £000
Revenue	8,117	7,867	6,942	6,941
Capital	350	350	119	115
Total funding allocation	8,467	8,217	7,061	7,056

Expenditure for 2023 to 2024

	2023-24 £000	2022-23 £000
Staff costs	5,528	5,157
Other related staff costs	163	113
Other operating costs	2,049	1,574
Depreciation	59	45
Amortisation	55	56
Net operating expenditure	7,854	6,945

During the year, we raised revenue from taxes we manage on behalf of the Welsh Government, as set out in the table below.

Devolved taxes

	2023-24 £000	2022-23 £000	2021-22 £000
Land Transaction Tax	269,893	372,106	402,245
Landfill Disposals Tax	29,718	42,014	45,334
Total taxes and revenues	299,611	414,120	447,579

WRA annual accounts 2023 to 2024

We processed over 49,900 LTT returns (2022 to 2023: 59,500).

Of these returns:

- 50% resulted in a tax liability requiring payment (2022 to 2023: 58%)
- this generated a net revenue income of £269.89 million in LTT for the Welsh Consolidated Fund (2022 to 2023: £372.10 million)

Net cash amounts managed

	2023-24	2022-23
	£000	£000
Net cash collected	300,270	418,600
Cash remitted to the Welsh Consolidated Fund	298,000	422,000

The remaining cash balance will be held on account and remitted in the next financial year.

Accountability report

Statement of the Accounting Officer's responsibilities

As Accounting Officer of the WRA, the Chief Executive, Dyfed Alsop, is personally responsible for:

- the proper stewardship of public funds
- day-to-day operations and management of the WRA
- ensuring compliance with the requirements of '[Managing Welsh Public Money](#)'

Under Sections 29(1)(b) and 30(1) of the Tax Collection and Management (Wales) Act (TCMA) 2016, the Welsh Ministers have directed the WRA to prepare for each financial year our resource accounts and tax statement in the form and basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the WRA and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the Government Financial Reporting Manual (FReM) and in particular to:

- observe the accounts direction issued by the Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm that the Annual Report and Accounts, as a whole, is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

In addition, the Accounting Officer must ensure that the tax statement is prepared in accordance with Section 25 of the TCMA to:

- show the amounts receivable from the collection of taxes, penalties and other income; any deductions permitted, and the amounts paid to the Welsh Consolidated Fund
- provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Welsh Government or material transactions that have not conformed to the standards of the authorities which govern them

The duties of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for

keeping proper records and for safeguarding WRA assets, and are set out in the Accounting Officer's Memorandum, Framework Document and Managing Welsh Public Money.

As the Accounting Officer for the WRA, I confirm that:

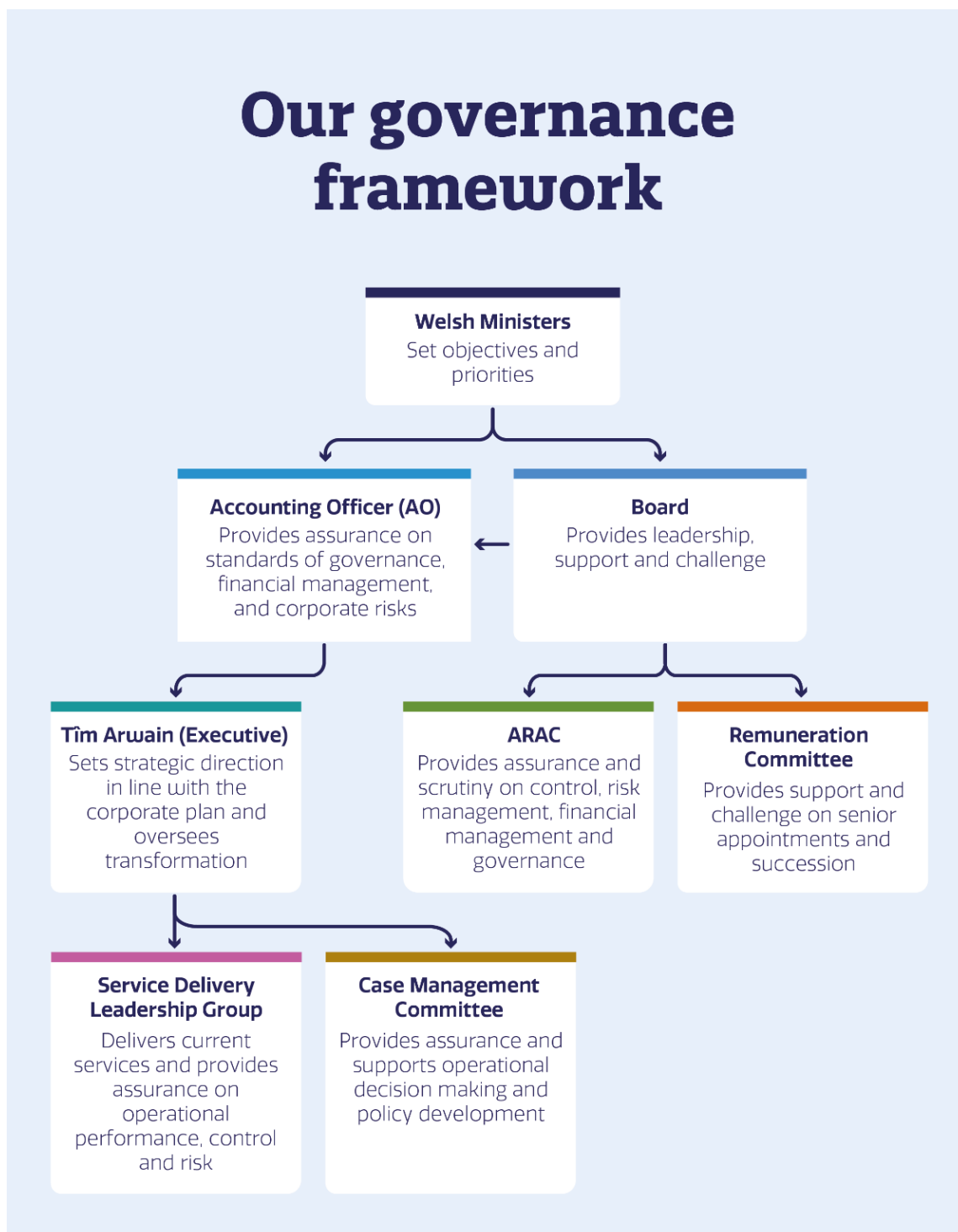
- the Annual Accounts as a whole for the period 1 April 2023 to 31 March 2024 are fair, balanced and understandable
- I take personal responsibility for the Annual Accounts and the judgements required for determining that they are fair, balanced and reasonable
- in producing these accounts, I have undertaken widespread consultation, sought feedback and comment and assurance from the WRA Management Board, Audit and Risk Assurance Committee (ARAC), internal auditors and members of the wider staff team
- I have taken all reasonable steps to make myself aware of any relevant audit information, and to establish that our auditors are aware of that information

Dyfed Alsop
Chief Executive and Accounting Officer
18 September 2024

Governance statement

The TCMA 2016 designates me as the Accounting Officer, and details of my responsibilities are in the [agreement between the Welsh Government and the Welsh Revenue Authority](#).

Overview



Our Board

Our Board consists of a majority of non-executive to executive members, and includes the Chief Executive (CEO), Chief Operating Officer and a staff-elected member.

Board members are collectively accountable for the WRA, and they provide leadership to ensure an effective standard of governance:

- the functions for devolved taxes we manage are delegated to the CEO
- the CEO delegates through an executive committee structure, taking decisions as per the current corporate plan
- the Board provides challenge and advice on our strategy, capability and performance, and is, alongside the Accounting Officer, supported by:
 - ARAC (Audit and Risk Assurance Committee)
 - Remuneration Committee

From September 2023, the Board included 2 new Board Associates for the first time. This was part of a pilot scheme and is in line with our current corporate plan commitment to:

“... create a healthy, fair and inclusive environment by ensuring our organisation is inclusive of all, allowing everyone to feel valued and able to succeed”.

This scheme:

- created an opportunity for people who might otherwise be discounted for board roles to gain experience
- trialled different criteria and application processes that could be developed and reused, potentially in future ministerial appointments by Welsh Government
- provided a supportive space for an introduction to a board environment, allowing full contribution and ensuring a sense of belonging
- increased diversity of thought on our Board and for the future of our organisation in line with our corporate plan commitment relating to inclusivity

Note

Board Associates are not formal Board members in statute and have no associated voting rights.

ARAC

ARAC scrutinises governance, risk management, the control environment and the integrity of the Annual Report and Accounts.

Number of meetings in 2023 to 2024: 5

Chair: Jocelyn Davies

Members: 3 non-executive members, including the Chair. The Chair of our Board also has an open invitation to attend meetings.

Ymgynghorwyr (Advisers) of ARAC:

- Chief Executive
- Chief Operating Officer
- Head of Finance
- Chief Finance Officer (up to October 2023)
- Internal Audit Service (IAS) representative
- Audit and Risk Secretariat

Representatives from the Welsh Government and Audit Wales regularly attend meetings.

Remuneration Committee

This committee (formerly called the People Committee) was set up to provide assurance and scrutiny on the effectiveness of succession planning, recruitment and remuneration.

Number of meetings in 2023 to 2024: 3

Chair: Ruth Glazzard

Members: 3 non-executive members (including the Chair) and the:

- Chief People and Communications Officer
- Chief Executive
- Head of Human Resources

Board and committee meeting attendance

Attendance 2023 to 2024

Members	Board [1]	ARAC	Remuneration Committee
Number of meetings held	4	5	2
Non-executive members:			
Ruth Glazzard	4	2	2
Jocelyn Davies	3	3	0
Mary Champion	4	5	0
Rheon Tomos	4	5	0

Jim Scopes	4	1	2
Executive members:			
Dyfed Alsop	4	4	2
Rebecca Godfrey	4	5	0
Staff-elected member:			
Karen Athanatos (until October 2023)	2	0	0
Zoe Curry (from October 2023)	2	2	0

Note

[1] Board meetings are held quarterly

Strategic risk: roles

- The Accounting Officer covers risk management and reporting.
- The Board ensures that risk management systems are robust and defensible and provide a clear steer on the desired risk appetite.
- ARAC looks at risk management and provides advice. It also assists and provides scrutiny of Tîm Arwain.

How we review corporate risks

Tîm Arwain regularly monitors and reviews corporate risk in line with our risk management policy and risk appetite statement. We follow the principles of the [‘Orange Book’](#) in its approach to corporate risk identification, evaluation and reporting.

Overview of the process:

- both Tîm Arwain and the Service Delivery Leadership Group hold separate risk registers
- new corporate risks are identified by Tîm Arwain from regular strategic reviews
- risks are escalated and de-escalated between the Service Delivery Leadership Group and Tîm Arwain
- corporate risks are reported in the corporate risk register and are scrutinised by ARAC and our Board

Internal control

Senior managers provide the Accounting Officer with their annual self-assessments of internal control, governance and risk management arrangements. We carry out an internal control questionnaire (ICQ) annually to audit this.

We remain assured in our governance around our delegated powers. We’ll continue to build closer links with wider Welsh Government and partner organisations to support the Programme for Government’s focus on devolved taxes. There were no areas of weakness identified in the 2023 to 2024 ICQ.

Internal audit

During the year, the Welsh Government Internal Audit Service (IAS) issued 3 reports that gave a broad opinion on the risk management, control and governance arrangements within the WRA. A representative from IAS attended all ARAC meetings. Here is an extract from one of the reports:

“Management can take reasonable assurance that arrangements to secure governance, risk management and internal control within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with moderate risk exposure until resolved.”

External audit

We're audited by Audit Wales, which is responsible for the review and audit of financial controls and the reliability of our financial accounts.

Audit Wales issues an audit report and presents its findings to ARAC and the Board. Its report for the year can be found in the 'Resource accounts' and 'Tax statement' sections.

How we manage information and governance

We continued to actively promote a culture of best practice in data and information management to maintain our high standards of information governance. This became increasingly important as we moved to a fully hybrid model of working.

We achieved this through:

- mandatory induction training
- biennial refresher training
- the roll-out of information security updates and process reviews
- internal communication to ensure our people raised queries about information governance with their information asset owners and information governance colleagues

We continued to receive positive assurance when our information governance was assessed by Welsh Government Internal Audit Service.

We continued to build on our positive working relationship with the Information Commissioner's Office (ICO). For example, we worked with the ICO to ensure we remained compliant with existing data protection legislation.

Our Data Protection Officer did not receive any complaints about our use of personal data, and nor did the Information Commissioner.

The top 3 risks we actively managed were:

- cyber security and resilience
- phishing emails
- supplier cyber risk

We recorded 18 'near misses'. These were minor information security incidents where no personal data was disclosed. We saw a small increase on the number recorded in 2022 to 2023. Near misses are not an actual data breach, but we actively record and investigate them to help find possible ways to prevent future data breaches.

We had 16 data breaches, an increase on last year's figure (10). They were all minor, with a low risk to the data subjects, so none had to be referred to the ICO. Most of our data breaches were a result of human error. We continued to work with staff to educate and remind them of their responsibilities concerning information security.

We have a supportive culture that encourages our people to report information security incidents. As a result, we aim to learn from them and, where possible, mitigate against them reoccurring.

Cyber resilience

Cyber security is one of our key priorities as a fully cloud-based organisation holding taxpayer data. We continually enhance our cyber resilience to protect our external digital service users, such as taxpayers and agents, as well as our people.

We have a cyber resilience strategy in place to support this work. This covers our ability to withstand cyber incidents, and the approach we'd take to recover as quickly as possible. Our approach is guided by the National Cyber Security Centre (NCSC) guidance on IT infrastructure, devices, data and applications.

To further strengthen our cyber resilience this year, we:

- security tested our digital infrastructure using an independent third party accredited by NCSC
- trained all our new and existing people in cyber security awareness
- renewed our Cyber Essentials Plus certification
- continued to ask suppliers for all new contracts basic security questions, increasing the assurance depending on the nature of the contract being issued
- worked with our third-party incident response provider to conduct a full audit of our technical cyber controls, and made a number of improvements
- put in place a full backup solution for all our corporate data
- held a full incident response exercise, covering both business and technical aspects of how we would handle a major security incident
- conducted a full review of our cyber strategy with our Board, ahead of drafting a new strategy for 2024 to 2026
- supported a member of our digital team to secure a place on a future senior security leader programme run by the UK Cabinet Office
- improved the security of external user accounts by mandating multifactor authentication (MFA) for all logins to our tax system by agents
- continued to test our people through regular phishing exercises as well as promoting cyber awareness more generally

Freedom of Information

We received 9 Freedom of Information (FOI) requests. We responded to each one on time.

We did not receive any complaints relating to our handling of requests for information. And the ICO did not carry out any investigations into our handling of FOIs.

Whistleblowing

Our whistleblowing policy and guidance provide staff with clear details on how to raise any concerns. We have a nominated officer in place to receive any disclosures.

We're also a prescribed body for devolved Welsh taxes. This means that a person in any organisation with a whistleblowing concern about devolved Welsh taxes can make a protected disclosure to us.

We hold information on our website about ways to contact us, and to explain how we'll respond to any disclosures made by external whistleblowers.

We did not receive any disclosures during the year.

Welsh language standards

We are not currently subject to Welsh language standards, but we voluntarily comply with Welsh Ministers' standards where appropriate and proportionate.

During the year we continued to deliver against our first Welsh language strategy, developed in 2020. We focused our resources on:

- developing our bilingual culture
- expanding our learning and development offering
- promoting opportunities for our people and customers to use Welsh as their language of choice

We expanded our Welsh language learning offering this year through a partnership with Welsh Government's central learning and development team. By promoting the offering, we saw 10% of our people taking part in formal Welsh language training – the highest figure since we started operating in 2018.

Wellbeing of future generations

We're committed to playing our part towards achieving a sustainable future for the people of Wales. We're not currently subject to the Well-being of Future Generations (Wales) Act 2015. We come under the Act from the end of June 2024 and will publish our wellbeing objectives in March 2025.

'Our Approach', which is the basis for our work managing tax, is in the spirit and sense of the act.

Conclusion

As the Accounting Officer for the WRA, I confirm that the statements made in this report are correct for the period 1 April 2023 to 31 March 2024.

There have been no significant internal control or governance issues.

I can also confirm that sound systems of internal control are in place to support the delivery of the organisation's policy aims and objectives.

**Dyfed Alsop
Chief Executive and Accounting Officer
18 September 2024**

Remuneration and people report

Remuneration report

Service contracts

Our employees are civil servants.

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, based on fair and open competition. The Recruitment Principles published by the Civil Service Commission specify which appointments may be made otherwise. The senior officials covered by this report hold appointments that are open-ended, either with us directly or with their home Civil Service departments if they are on loan to the WRA. Early termination by the WRA or by those home departments, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commission can be found on the [Civil Service Commission website](#).

Remuneration policy

The remuneration of members of the Senior Civil Service (SCS) is not delegated, unlike the remuneration of staff below SCS level. This means that the WRA implements SCS pay in accordance with the rules set out in chapter 7.1, Annex A of the Civil Service Management Code and annual guidance produced by the UK Government, following recommendations from the Senior Salaries Review Body (SSRB).

In reaching its recommendations, the SSRB considers:

- the need to recruit, retain, motivate and promote suitably able and qualified people to do their responsibilities.
- regional/local variations in labour markets and their effects on the recruitment, retention and promotion of staff
- government policies for improving public services, including the requirement to meet the output targets for the delivery of departmental services
- the funds available to departments as set out in the UK government's departmental expenditure limit, and the UK government's inflation target
- evidence the SSRB receives about wider economic considerations and the affordability of their recommendations

See more about the SSRB on the [SSRB website](#).

Remuneration Committee

Our Remuneration Committee is chaired by a non-executive Chair.

The committee has chosen to broadly align its approach to that of Welsh Government, which has flexibility to operate within the guidance set by the UK Cabinet Office. For example, we did not make any performance related bonus payments to SCS members during 2023 to 2024.

The remuneration of our employees below the SCS mirrors the approach of Welsh Government. For more details, see the [Welsh Government's pay policy](#).

Our Board's non-executive members get fees for duties on behalf of the WRA, such as attendance at Board and committee meetings. Fees are paid at a daily rate as set out in their letters of appointment and are as follows:

Non-executive members' fee daily rates

	Daily rate (£)
Non-executive Chair	400
Non-executive Deputy Chair	350
Non-executive members	300

Expenses necessarily incurred in carrying out these duties are also reimbursed.

During the year, we introduced a Board Associate role. The role was designed for those with aspirations to become a full non-executive member, but who did not yet have relevant experience. The 2 Board Associates bring unique perspectives and receive support, including mentorship from experienced Board members. The Board Associate role attracts remuneration of £200 per day pro rata.

Remuneration disclosure

The following disclosure provides information about the remuneration and pension interests of the WRA's Board members. This includes both non-executive members and senior officials but does not include the Board's staff-elected member.

Salary covers both pensionable and non-pensionable amounts and includes gross salaries, overtime, recruitment and retention allowances, or other allowances or payments if members are subject to UK taxation, and any severance or discretionary payments. Reimbursement of legitimate expenses is not included in salary. This report is based on accrued payments made by us.

The monetary value of 'benefits in kind' covers any benefits provided by us and treated by HMRC as taxable.

To balance reporting requirements against individual privacy, we mostly report remuneration figures in bandings of £5,000 (for example £65,000 to £70,000).

Non-executive remuneration

Fees paid to non-executive members

Non-executive member	Fees	
	2023-24 £000	2022-23 £000
Ruth Glazzard Non-executive Chair	15–20	5–10
Jocelyn Davies Deputy Chair	5–10	5–10
Mary Champion Non-executive member	5–10	5–10
Jim Scopes Non-executive member	5–10	5–10
Rheon Tomos Non-executive member	5–10	5–10
Laura Kent (from September 2023) Board Associate	0–5	N/A
Neil Mukerji (from September 2023) Board Associate	0–5	N/A

This table is subject to audit.

In addition to their fees, non-executive members are reimbursed for travel and other expenses under our travel and subsistence policy. We meet the tax liability from the reimbursement.

Non-executive members are not employees of the WRA and do not receive pension benefits.

Senior officials' remuneration and pension benefits

Remuneration figures for senior officials

Senior officials	Salary in bands of £5,000		Pension benefits to the nearest £1,000		Benefits in kind to the nearest £100		Total in bands of £5,000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Dyfed Alsop Chief Executive	105,000	100,000	35,000	11,000	500	0	140,000	110,000
	-	-	0	0			-	-
	109,999	104,999					144,999	114,999
Rebecca Godfrey Chief Operating Officer	85,000-89,999	45,000-49,999	39,000	7,000	0	0	125,000	55,000-59,999
			0				-	
							129,999	

This table is subject to audit.

Notes

Benefits in kind relate to the taxable value of a car through salary sacrifice.

Rebecca Godfrey was on maternity leave for part of the year during 2022 to 2023. During this time, she remained a member of staff but was not an active director. Her full-time equivalent banded annual salary in 2022 to 2023 would have been £80,000 to 85,000.

Senior officials' pension benefits

Senior officials	Accrued pension at pension age as at 31 March 2024 and related lump sum	Real increase in pension and related lump sum at pension age	CETV* at 31 March 2024	CETV* at 31 March 2023	Real increase in CETV*
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	£000	£000	£000	£000	£000
Dyfed Alsop Chief Executive	30–35 plus a lump sum of 75–80	0–2.5 plus a lump sum of 0	640	564	20
Rebecca Godfrey Chief Operating Officer	25–30	0–2.5	451	390	22

This table is subject to audit.

*CETV = cash equivalent transfer value.

Other staff

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. This is made up of two parts (see www.gov.uk/government/collections/how-the-public-service-pension-remedy-

[affects-your-pension](#)). The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair pay disclosure

This section is subject to audit.

Reporting bodies must disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of their people.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the CETV of pensions. The WRA did not pay any performance-related pay or bonuses in 2023 to 2024 or 2022 to 2023.

The banded remuneration of the highest-paid director in the WRA in the financial year 2023 to 2024 was £105,000 to £110,000 (2022 to 2023: £100,000 to £105,000). This was 2.5 times the median remuneration of the workforce, which was £43,785 (2022 to 2023: 2.3 times, £43,660) using the midpoint of the banded salary range for the highest-paid director. In 2022 to 2023 the average pay increase for SCS staff was lower than that of the organisation as a whole.

In 2023 to 2024 this was rebalanced for SCS staff, bringing the pay increase in line with other staff. This accounts for the ratio increase in the median remuneration. In 2023 to 2024, the percentage change from the previous financial year in respect of the highest paid director was 4.9% (2022 to 2023 was 0%). Average pay in the organisation increased by 4.4% (2022 to 2023 was 0.5%).

In 2023 to 2024 and 2022 to 2023, no staff received remuneration more than the highest paid director. Remuneration ranged from £23,258 to £107,500 (banded midpoint) (2022 to 2023: £23,880 to £102,500 (banded midpoint)).

Lower quartile, median and upper quartile staff remuneration

Year	25th percentile pay	25th percentile pay ratio	Median pay	Median pay ratio	75th percentile pay	75th percentile pay ratio
2023-24	£32,141	3.3:1	£43,785	2.5:1	£63,614	1.7:1
2022-23	£30,610	3.3:1	£43,660	2.3:1	£63,900	1.6:1

People report

People costs

	Permanently employed staff	Contract and agency staff	Total	Total
	2023-24	2023-24	2023-24	2022-23
	£000	£000	£000	£000
Salaries	3,894	118	4,012	3,703
Social security costs	431	13	444	428
Other pension costs	1,047	25	1,072	1,026
Total	5,372	156	5,528	5,157

This table is subject to audit.

The permanently employed staff in this table include people who are on loan to us from other Civil Service employers, but who remain permanently employed by that Civil Service employer.

Salary includes gross salaries, overtime, recruitment and retention allowances, and other allowances or payments to the extent that they are subject to UK taxation.

Pension scheme contributions

The PCSPS is an unfunded multi-employer defined benefit scheme in which the WRA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2020.

Details can be found in the resource accounts of the [Cabinet Office: Civil Superannuation](#).

For 2023 to 2024, employers' contributions of £1,064,471 were payable to the PCSPS (2022 to 2023: £1,019,223) at 1 of 4 rates in the range 26.6% to 30.3% (in 2023 to 2024 and 2022 to 2023) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every 4 years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect experience of the scheme.

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employers' contributions of £7,461 (2022 to 2023: £6,665) were paid to one or more of the panel of 3 appointed stakeholder pension providers.

Employer contributions are age-related and range from 8% to 14.75% (in both 2023 to 2024 and 2022 to 2023) of pensionable pay. In addition, 0.5% of pensionable pay is payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Employers also match employee contributions up to 3% of pensionable pay.

No persons (in either 2023 to 2024 or 2022 to 2023) retired early on ill health grounds. The total additional accrued pension liabilities in the year were therefore nil.

SCS by pay band

Numbers of members of SCS by pay band

Pay band	31 March 2024	31 March 2023
SCS 2	1	1
SCS 1	2	2

Our organisation does not have any roles at grades SCS3 or SCS4.

Number of persons employed

Persons employed (including SCS) – average full-time equivalent (FTE)

	2023-24	2022-23
Permanent staff	78	76
Loan staff	0	3
Fixed-term staff	3	2
Total	81	81

This table is subject to audit.

Fixed-term people included roles such as cover for existing people's parental leave or other time away from their role, or where the need for the role was temporary.

In addition to employed people as above, the FTE for agency people was:

Agency staff – average full-time equivalent (FTE)

	2023-24	2022-23
Agency staff	0	0

People composition

We're committed to offering a great place to work for all our employees. As part of our commitment, we:

- hold and review equality information on our people to inform our decision-making
- have policies to ensure equal treatment and consider the impact on individuals and groups with characteristics protected by the Equality Act 2010 (for example, disability, age and sex)
- ensure oversight of equality by our Board and Tim Arwain
- published our equality report in March 2024, covering the period 2022 to 2023

Persons employed by gender

	As of 31 March 2024		As of 31 March 2023	
	Female	Male	Female	Male
SCS	1	2	1	2
Other people	42	38	45	39

We carried out various activities to promote equal treatment. This included:

- maintaining our Living Wage Employer accreditation
- promoting our 'Happy to Talk Flexible Working' commitment on our recruitment pages, advertising all roles as available flexibly by default
- promoting our Disability Confident Leader status
- offering a guaranteed interview scheme for disabled applicants meeting the essential requirements for a role
- considering gender bias in the language we use for our recruitment campaigns
- applying 'name-blinding' to recruitment applications to remove references to personal details and names of educational establishments, thereby reducing potential bias
- proactively asking all applicants if they needed adjustments during the recruitment process
- offering candidate information sessions for each recruitment campaign
- offering pre-interview accessibility chats to disabled candidates
- ensuring mixed-gender recruitment panels trained in undertaking non-biased recruitment

- offering anti-discrimination training to all our people, including on understanding discriminatory behaviour, understanding microaggressions, safe space conversations and understanding microaggressions
- providing occupational health services and an employee assistance programme for all our people
- offering a range of wellbeing events for our people through the Wellbeing Group to support our wellbeing strategy
- offering display screen risk assessments for our people to identify any adjustments and equipment needed to work safely from home and in the office

Sickness absence

Sickness absence figures are typically expressed as annual working days lost (AWDL).

AWDL per staff year equals the total number of working days lost across the year divided by the total number of potential staff years.

We believe this formula more accurately shows the true available days lost than other ways of calculating AWDL, because it excludes weekends and public and privilege holidays. Using total years also correctly accounts for part-time people, new entrants and leavers. For example, someone working half the full-time number of hours per week would have a year of 0.5.

Our level of sickness absence was 4.78 AWDL for 2023 to 2024. This is much lower than the latest Civil Service figure available of 8.1 AWDL for 2022 to 2023.

Turnover

Turnover figures in the Civil Service are calculated in 2 ways:

- turnover, which means staff leaving the Civil Service as a whole
- departmental turnover, which means staff leaving the WRA but transferring to another Civil Service department or employer

The turnover figure is calculated as the number of leavers divided by the average of people in post.

In 2023 to 2024, 18.6% of WRA's staff left the WRA. Of those, 6.2% left the Civil Service and 12.4% moved to another government department.

Civil Service People Survey

The Civil Service People Survey is a cross-government employee engagement survey. Each year, around 300,000 civil servants from over 100 organisations take part.

It uses an engagement index that is an average of the responses to these 5 questions, which are strong indicators of employee engagement:

- I am proud when I tell others I am part of the WRA
- I would recommend the WRA as a great place to work
- I feel a strong personal attachment to the WRA
- the WRA inspires me to do the best in my job
- the WRA motivates me to help it achieve its objectives

The results can range from 0% to 100%. A score of 0% is all respondents giving a rating of 'strongly disagree' to all 5 questions. A score of 100% is all respondents giving a rating of 'strongly agree' to all 5 questions.

WRA Civil Service People Survey results

	2023	2022
Engagement index	76%	77%

Our overall score shows a high level of employee engagement and is significantly higher than the Civil Service average of 64% in 2023 and 65% in 2022.

We ranked in the top **3** of Civil Service organisations for employee engagement in 2023.



Our full results from each year's survey can be found on our website at: [WRA People Survey](#).

Consultancy costs

Consultancy costs during the period

	2023-24 £000	2022-23 £000
Consultancy costs	612	317

Where there is a need for specialist skills, this work is undertaken either by specialist individuals or consultancy organisations.

There was an increase in the use of specialist consultancy organisations in 2023 to 2024. This was mainly due to discovery work on the visitor levy for Wales, as explained in our introduction. Other consultancy costs were for specialist skills in network services, an analysis of our corporate culture, cyber security and a review of the finance system.

Off-payroll disclosures

Off-payroll arrangements apply to individuals who are either self-employed or acting through an intermediary or a service company, rather than being directly employed by us. From 6 April 2017, reforms to legislation (known as IR35) changed the rules for off-payroll people working in the public sector. It moved the obligation to decide their tax status from the contractor to the employer.

All off-payroll arrangements with individuals have been subject to an IR35 assessment to determine the nature of the working arrangements and ensure transparency and compliance with tax regulations.

Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater

Number of existing engagements	4
Of which:	
Less than 1 year	2
For between 1 and 2 years	0
For between 2 and 3 years	0
For between 3 and 4 years	0
For 4 or more years	2

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

Number of temporary off-payroll workers engaged during the year	4
Of which:	
Not subject to off-payroll legislation	4
Subject to off-payroll legislation and determined as in scope of IR35	0
Subject to off-payroll legislation and determined as out of scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: Number of engagements that saw a change to IR35 status following review	0
Any off-payroll Board members and/or senior officials with significant financial responsibility	
Any off-payroll Board members and/or senior officials with significant financial responsibility	0
Total number of on-payroll and off-payroll Board members, and/or senior officials with significant financial responsibility	13

Civil Service and other compensation schemes – exit packages

The number of redundancies and other agreed departures during 2023 to 2024 and 2022 to 2023 was nil. There were no exit packages agreed during the year to 31 March 2024.

We pay redundancy and other exit costs in line with the Civil Service Compensation Scheme (CSCS) under the Superannuation Act 1972. If we agree early retirements, the additional costs are met by us and not the Civil Service pension scheme. Ill health retirement costs are met by the pension scheme.

Wellbeing

We value our people’s wellbeing and recognise that, by doing so, we can offer a positive and productive workplace environment. We supported our people in a number of ways during the year. This included:

- encouraging our people to make use of a paid wellbeing hour each week
- support through our Wellbeing Group, which is made up of representatives from across our organisation

- creating wellbeing opportunities throughout the year that align with our 5 key areas of wellbeing: connecting with each other, being physically active, learning new skills, being present in the moment and giving to others
- promoting and encouraging our people to join staff networks and support groups
- offering an employee assistance programme as well as a healthcare management platform

Dyfed Alsop
Chief Executive and Accounting Officer
18 September 2024

Audit report: resource accounts

The certificate and report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Welsh Revenue Authority for the year ended 31 March 2024 under the Tax Collection and Management (Wales) Act 2016.

The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity and related notes, including the material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of Welsh Revenue Authority's affairs as at 31 March 2024 and of its net operating expenditure, for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.
- have been properly prepared in accordance with Welsh Ministers directions issued under the Tax Collection and Management (Wales) Act 2016.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements and regularity of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the

audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Welsh Revenue Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report other than the financial statements and other parts of the report that are audited and my auditor's report thereon. The Accounting Officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the Remuneration and People Report to be audited has been properly prepared in accordance with Welsh Ministers directions made under the Tax Collection and Management (Wales) Act 2016.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Welsh Ministers directions made under the Tax Collection and Management (Wales) Act 2016; and
- the information given in the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Governance Statement.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit.
- proper accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration and People Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;

- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by body will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Tax Collection and Management (Wales) Act 2016.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the internal auditors and those charged with governance, including obtaining and reviewing supporting documentation relating to Welsh Revenue Authority's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- Obtaining an understanding of Welsh Revenue Authority's framework of authority as well as other legal and regulatory frameworks that the Welsh Revenue Authority operates in, focusing on those laws and regulations that

had a direct effect on the financial statements or that had a fundamental effect on the operations of Welsh Revenue Authority;

- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Welsh Revenue Authority's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Adrian Crompton

Auditor General for Wales

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

18 September 2024

Resource accounts

Statement of comprehensive net expenditure

	Note	2023-24 £000	2022-23 £000
Staff costs	2	5,528	5,157
Other staff-related costs	2	163	113
Other operating costs	2	2,049	1,574
Depreciation	3.1	59	45
Amortisation	3.2	55	56
Net operating expenditure		7,854	6,945
Total comprehensive expenditure for the year		7,854	6,945

Statement of financial position

	Note	2023-24 £000	2022-23 £000
Non-current assets			
Plant and equipment	3.1	201	164
Intangible assets	3.2	210	27
Total non-current assets		411	191
Current assets			
Prepayments and other accrued income	4	148	104
Cash and cash equivalents	5	1,118	966
Total current assets		1,266	1,070
Current liabilities			
Trade and other payables	6	(947)	(894)
Total current liabilities		(947)	(894)
Total assets less current liabilities		730	367
Taxpayers' equity			
General fund		730	367

Dyfed Alsop
Chief Executive and Accounting Officer
18 September 2024

Statement of cash flows

	Note	2023-24 £000	2022-23 £000
Cash flows from operating activities			
Net operating expenditure		(7,854)	(6,945)
Adjustments for non-cash transactions			
Decrease/(increase) in trade and other receivables		(44)	12
(Decrease)/increase in trade and other payables		53	(15)
Depreciation and amortisation	3.1, 3.2	114	101
Net cash (outflow) from operating activities		(7,731)	(6,847)
Cash flows from investing activities			
Additions of plant and equipment	3.1	(96)	(115)
Additions of intangible assets	3.2	(238)	0
Net cash (outflow) from investing activities		(334)	(115)
Cash flows from financing activities			
Funding from Welsh Government		8,217	7,060
Net increase/(decrease) in cash and cash equivalents	5	152	98
Cash and cash equivalents at the beginning of the period	5	966	868

Cash and cash equivalents at the end of the period	5	1,118	966
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Statement of changes in taxpayers' equity

	General fund £000
Balance as at 31 March 2022	252
Changes in taxpayers' equity 2022-23	
Revenue funding from Welsh Government	6,941
Capital funding from Welsh Government	119
Total comprehensive expenditure for the year	(6,945)
Balance as at 31 March 2023	367
Changes in taxpayers' equity 2023-24	
Revenue funding from Welsh Government	7,867
Capital funding from Welsh Government	350
Total comprehensive expenditure for the year	(7,854)
Balance as at 31 March 2024	730

Notes to the resource accounts

1. Statement of accounting policies

1.1 Basis of accounting

These accounts are prepared in accordance with:

- a direction issued by Welsh Ministers, in accordance with Section 29(1)(b) of the Tax Collection and Management (Wales) Act 2016
- the Government Financial Reporting Manual (FReM) issued by HM Treasury
- International Financial Reporting Standards (IFRS) adapted or interpreted for the public sector context
- the accounting policies detailed in subsequent notes

The WRA has considered the impact of standards and interpretations that have been issued but are not yet effective. It is not expected that these will have a material impact on the financial statements.

The financial information contained in the statements and in the notes is rounded to the nearest £1,000.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention, modified according to the requirements of relevant accounting standards and subject to the interpretations and adaptations of the Financial Reporting Manual standards. Expenditure has been accounted for on an accrual basis. Accounting for funding has been set out in accounting policy 1.7.

1.3 Going concern

These accounts have been prepared on the basis of 'going concern' as the WRA is a non-ministerial department of Welsh Government and receives its revenue funding from them to meet its liabilities. The WRA expects to remain in existence for the foreseeable future.

1.4 Use of judgement

In preparing these financial statements, management has made judgements that affect the application of the accounting policies and the reported amounts of assets, liability and expenses. Actual results may differ from these estimates and are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following:

No right of use assets exist within the WRA. The office space allocated to the WRA for use is directed by Cabinet Secretary for Finance, Constitution and Cabinet Office alone.

1.5 Annual leave accrual

Staff annual leave accrual is accounted for within other staff costs. Only the movement in year is charged. The accrual is a calculation to reflect the annual leave owed or owing to staff at the year end.

1.6 Value added tax (VAT)

The WRA is registered for VAT and recovers some elements of VAT for business services and contracted-out services. Other goods and services expenditure is recorded inclusive of VAT in accordance with the HM Revenue & Customs (HMRC) internal government VAT manual.

1.7 Funding

The WRA receives funding from the Welsh Government (known as the 'grant allocation') to finance its revenue and capital expenditure. In accordance with FReM, these amounts are recorded as financing rather than income and are credited to the general fund. The FReM also confirms that this financing is to be accounted for on a cash basis, which we have complied with.

1.8 Cash and cash equivalents

Cash and cash equivalents solely include the balances WRA holds with the Government Banking Service.

1.9 Segment reporting

IFRS 8 requires entities to disclose information about their operating segments and geographical areas. The WRA operates in one segment and exclusively in Wales. No additional reporting is therefore considered necessary.

1.10 Leases

For 2023 to 2024, the WRA is not party to any lease arrangements (as either the lessor or lessee) under IFRS 16.

1.11 Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another. IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. As the WRA is directly funded by

Welsh Government, the only financial instruments within the accounts are financial assets, in the form of trade and other receivables, and financial liabilities, in the form of trade and other payables. The WRA is not considered to be exposed to any significant level of credit, liquidity or interest rate risk.

1.12 Non-current assets

Equipment

Equipment is carried at fair value. Depreciated historic cost is used as a proxy for the fair value of these assets.

All equipment purchased directly by the WRA costing £5,000 or more is capitalised.

Depreciation is provided for in the month following acquisition and is calculated to write off the value, less estimated residual value, on an equal instalment basis over its expected useful life, shown as follows.

Expected useful life of equipment

Equipment category	Expected useful life
Fixtures and fittings	10 years
ICT equipment	3 to 5 years
Other equipment	5 years

Intangible assets

As no active market exists due to the bespoke nature of intangible assets, they are stated at historic costs and amortised on a straight-line basis over the estimated useful life or term of the licence. Amortisation is provided for in the month after the asset is acquired.

Intangible assets under development relate to system developments for user account security. The costs for these are separately reported in note 3.2. Costs are accumulated until the asset is available for use, whereupon it is transferred to the relevant assets class and amortisation is charged.

Expected useful life of intangible assets

Category of Intangible asset	Estimated useful life
Licences and software	3 years

2. Expenditure

Expenditure during the period

	2023-24 £000	2022-23 £000
Staff and related costs		
Wages and salaries	4,012	3,703
Pensions costs	1,072	1,026
Social security costs	444	428
Agency costs	0	0
	5,528	5,157
Other staff-related costs		
Training and development	111	89
Travel and subsistence	27	18
Other employee-related expenses	25	6
	163	113
Other operating costs		
Administration and other office costs	90	74
Board and related costs	81	69
External audit fee	36	34
ICT-related costs	1,523	1,111

Internal audit fee	13	14
Other professional costs	306	272
	2,049	1,574
Amortisation and depreciation	114	101
Total comprehensive expenditure for the year	7,854	6,945

Further analysis of staff and related costs is provided in the remuneration and people report.

3. Non-current assets

3.1 Equipment

	ICT equipment £000	Plant and equipment £000	Total £000
Cost or valuation			
Cost at 1 April 2023	270	71	341
Additions	96	0	96
Disposals	0	(11)	(11)
At 31 March 2023	366	60	426
Depreciation			
Depreciation at 1 April 2023	167	10	177
Charge for the year	53	6	59
Disposals	0	(11)	(11)

At 31 March 2024	220	5	225
Net book value at 31 March 2023	103	61	164
Net book value at 31 March 2024	146	55	201
Cost or valuation			
Cost at 1 April 2022	215	11	226
Additions	55	60	115
At 31 March 2023	270	71	341
Depreciation			
At 1 April 2022	124	8	132
Charge for the year	43	2	45
At 31 March 2023	167	10	177
Net book value at 31 March 2022	91	3	94
Net book value at 31 March 2023	103	61	164

3.2 Intangible assets

	Licences £000	Software £000	Asset under development £000	Total £000
Cost or valuation				
Cost at 1 April 2023	64	2,540	0	2,604
Additions	137	0	101	238
Disposals	(64)	0	0	(64)
At 31 March 2024	137	2,540	101	2,778
Amortisation				
Amortisation at 1 April 2023	57	2,520	0	2,577
Charge for the year	38	17	0	55
Disposals	(64)	0	0	(64)
At 31 March 2024	31	2,537	0	2,568
Net book value at 31 March 2023	7	20	0	27
Net book value at 31 March 2024	106	3	101	210
Cost or valuation				
Cost at 1 April 2022	64	2,540	0	2,604
Additions	0	0	0	0
Disposals	0	0	0	0

At 31 March 2023	64	2,540	0	2,604
Amortisation				
Amortisation at 1 April 2022	34	2,487	0	2,521
Charge for the year	23	33	0	56
Disposals	0	0	0	0
At 31 March 2023	57	2,520	0	2,577
Net book value at 31 March 2022	30	53	0	83
Net book value at 31 March 2023	7	20	0	27

4. Prepayments and other accrued income

Prepayments and other accrued income at the end of the period

	2023-24 £000	2022-23 £000
Prepayments and other accrued income	148	104
Balance at 31 March	148	104

5. Cash and cash equivalents

Cash and equivalents at the end of the period

	2023-24 £000	2022-23 £000
Balance at start of period	966	868
Net change in cash and cash equivalent balances	152	98
Balance at 31 March	1,118	966

All balances are held with the Government Banking Service.

6. Trade and other payables

Trade and other payables at the end of the period

	2023-24 £000	2022-23 £000
Trade payables	(792)	(746)
Other payables	(155)	(148)
Balance at 31 March	(947)	(894)

The majority of the amount in other payables relates to the annual leave accrual.

7. Related-party transactions

The WRA is a non-ministerial department of Welsh Government. Welsh Government is a related party. Material transactions during the year with Welsh Government were as follows:

- revenue funding of £7.87 million was received in the year (2022 to 2023: £6.94 million)
- capital funding received in year was £350,000 (2022 to 2023: £119,000)
- payments of £5.60 million were made to Welsh Government during 2023 to 2024, mainly in relation to payroll costs (2022 to 2023: £5.31 million)

Neither Board members, senior officers, nor any of their related parties, undertook any material transactions with the WRA.

8. Capital commitments

There were no capital commitments as at 31 March 2024.

9. Contingent assets and liabilities

There were no contingent assets and liabilities as at 31 March 2024.

10. Events after the reporting period

There are no reportable events after the reporting period.

Audit report: tax statement

The certificate and report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the Welsh Revenue Authority's Tax Statement for the year ended 31 March 2024 under the Tax Collection and Management (Wales) Act 2016.

The Tax Statement comprises the Statement of Revenue, Other Income and Expenditure, Statement of Financial Position, Statement of Cash Flows and related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion in all material respects, the financial statements:

- give a true and fair view of the state of affairs of the Welsh Revenue Authority's Tax Statement as at 31 March 2024 and of the net revenue for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Tax Collection and Management (Wales) Act 2016.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income recorded in the Tax Statement have been applied to the purposes intended by the Senedd and the financial transactions recorded in the Tax Statement conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements and regularity of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Welsh Revenue Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the Tax Statement, I have concluded that the use of the going concern basis of accounting in the preparation of the Tax Statement is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Welsh Revenue Authority's Tax Statement is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report other than the Tax Statement and my auditor's report thereon. The Accounting Officer is responsible for the other information. My opinion on the Tax Statement does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Tax Statement or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the Tax Statement itself. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit the information given in the Accountability Report for the financial year for which the Tax Statement is prepared is consistent with the Tax Statement and the Performance Report in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Welsh Revenue Authority's Tax Statement and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Governance Statement.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit.
- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration and People Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the Welsh Revenue Authority's Tax Statement and Annual Report in accordance with the Tax Collection and Management (Wales) Act 2016 and Welsh Ministers' directions made there under, and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and Welsh Revenue Authority's Tax Statement as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;

- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the ability of the Welsh Revenue Authority's Tax Statement to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Welsh Revenue Authority Tax Statement will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the Welsh Revenue Authority's Tax Statement in accordance with the Tax Collection and Management (Wales) Act 2016.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Welsh Revenue Authority's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals;

- Obtaining an understanding of the Welsh Revenue Authority's framework of authority as well as other legal and regulatory frameworks that the Welsh Revenue Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Welsh Revenue Authority;
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Welsh Revenue Authority's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I am also required to obtain sufficient evidence to give reasonable assurance that the expenditure and income recorded in the Welsh Revenue Authority's Tax Statement have been applied to the purposes intended by the Senedd and the financial transactions recorded in the Welsh Revenue Authority's Tax Statement conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Adrian Crompton

Auditor General for Wales

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

18 September 2024

Tax statement

Statement of revenue, other income and expenditure

	Note	2023-24 £000	2022-23 £000
Revenue			
Taxes and duties			
Land Transaction Tax (LTT)	2.1	269,893	372,106
Landfill Disposals Tax (LDT)	2.2	29,718	42,014
Total taxes and duties		299,611	414,120
Other income			
Penalties	2.3	417	420
Interest	2.3	263	107
Total penalties and interest		680	527
Total revenue		300,291	414,647
Expenditure			
Interest paid	3.1	(719)	(218)
Revenue losses	3.2	119	(546)
Total expenditure		(600)	(764)
Net revenue for the Welsh Consolidated Fund		299,691	413,883

There were no recognised gains or losses accounted for outside the statement of revenue, other income and expenditure.

Statement of financial position

	Note	2023-24 £000	2022-23 £000
Current assets			
Receivables	4.1	2,874	2,280
Accrued taxes receivable	4.1	15,405	16,572
Cash	5	11,805	9,535
Total current assets		30,084	28,387
Current liabilities			
Payables and on-account balances	6	(304)	(536)
Provision for tax at tribunal	7	(1,789)	(1,551)
Total current liabilities		(2,093)	(2,087)
Total net assets		27,991	26,300
Represented by			
Balance due to the Welsh Consolidated Fund	9	27,991	26,300

Dyfed Alsop
 Chief Executive and Accounting Officer
 18 September 2024

Statement of cash flows

	Note	2023-24 £000	2022-23 £000
Net cash flow from operating activities	A	300,270	418,600
Cash paid to the Welsh Consolidated Fund		(298,000)	(422,000)
Increase/(decrease) in cash in this period	B	2,270	(3,400)

Notes to the statement of cash flows

A: Reconciliation of new cash flow to movement in net funds

	2023-24 £000	2022-23 £000
Net revenue for the Welsh Consolidated Fund	299,691	413,883
Decrease/(increase) in non-cash assets	573	3,854
(Decrease)/increase in liabilities	(232)	426
(Decrease)/increase in provision for liabilities	238	437
Net cash flow from operating activities	300,270	418,600

B: Analysis of changes in net funds

	2023-24 £000	2022-23 £000
Increase/(decrease) in cash in this period	2,270	(3,400)
Net funds at 1 April (opening bank balance)	9,535	12,935
Net funds as at 31 March (closing bank balance)	11,805	9,535

Notes to the tax statement

1. Statement of accounting policies

1.1 Basis of accounting

These accounts are prepared in accordance with:

- the accounts direction issued by Welsh Ministers, in accordance with section 30(1) of the Tax Collection and Management (Wales) Act 2016
- the Government Financial Reporting Manual (FReM) issued by HM Treasury
- International Financial Reporting Standards (IFRS) adapted or interpreted for the public sector context
- the accounting policies detailed in later notes

The WRA has considered the impact of standards and interpretations that have been issued but are not yet effective. It is not expected that these will have a material impact on the financial statements.

The income and any associated expenditure contained within these statements are those flow of funds that the WRA handles on behalf of the Welsh Consolidated Fund and where it is acting as agent rather than as principal.

The financial information contained in the statements and in the notes is rounded to the nearest £1,000.

1.2 Accounting convention

The tax statement has been prepared in accordance with historical cost convention. Taxes, including repayments, are accounted for on an accrual basis.

1.3 Revenue recognition

Taxation

Taxes are measured in accordance with IFRS 15. They are measured at the fair value of amounts received or receivable, net of repayments. Revenue is recognised when:

- a taxable event has occurred, the revenue can be measured reliably, and it is probable that the economic benefits from the taxable event will flow to the Welsh Consolidated Fund
- a taxable event occurs when a liability arises to pay a tax

Any amendments, including higher-rate refunds, are recognised up to 30 April in the following financial year where they relate to a previous financial year.

Penalties and interest

Penalties and interest are measured in accordance with IFRS 15. They are measured at the fair value of amounts received or receivable.

Revenue is recognised when:

- the penalty or interest charge is validly imposed and becomes receivable by the WRA

Recognised penalty revenue is reversed in the account:

- when a penalty is cancelled following correction of a tax return arising from a minor error by the taxpayer or agent
- when a penalty is cancelled following review by the WRA
- when, on appeal or for other legal reasons, the penalty is cancelled

Where penalty or interest revenue recognised in a previous financial year is later considered to be uncollectable for reasons other than given here, this is recorded as an expense at the date it is considered uncollectable.

The WRA does not recognise the tax gap in the tax statement. This is the difference between the amount of tax that should, in theory, be collected by the WRA (the theoretical liability) and what is collected. This theoretical tax liability is the tax that would be paid if all taxpayers followed both the letter of the law and the WRA's interpretation of the intention of Welsh Parliament in setting law (referred to as the spirit of the law).

Deferrals

A deferral occurs when a land transaction has several stages of purchase price setting, and one or more of these stages is due in the future and is conditional on an event occurring. The WRA does not recognise the tax revenue on these future payments until that event occurs and the additional purchase price is payable. An example of a deferral is where land is bought with an additional amount being payable once planning permission is obtained. In this instance tax revenue is recognised on the additional payment at the point in time when the planning is granted.

Enquiries and tribunals

In line with FReM, tax revenue, along with tax or penalty refunds arising from enquiry or tribunal cases, is not recognised in the accounts until the decision or judgement is issued. Disclosures in the accounts relating to enquiries or tribunals are only made if they lead to a material financial impact.

1.4 Use of judgement

In preparing these financial statements, management has made judgements that affect the application of the accounting policies and the reported amounts of

revenue, assets, liability and expenses. Actual results may differ from these estimates and are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following:

- the disclosure of contingent liability for refund of higher-rate LTT in the accounts is based on the modelling of the Office for Budget Responsibility and its judgements. We do not yet have adequate data available to model an accurate valuation of future refund liability

1.5 Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another. IFRS 7 Financial Instruments requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The only financial instruments within the accounts are financial assets, in the form of receivables, and financial liabilities, in the form of payables. Because of this there is no exposure to significant liquidity, interest rate risk and foreign currency risk.

1.6 Taxpayer confidentiality

The WRA takes taxpayers' confidentiality seriously and will not show any taxpayers' confidential details within the financial statements that are prohibited under Section 17 of the TCMA 2016 unless there is an overriding legal requirement to do so.

1.7 Receivables

The FReM does not require the WRA to decide impairments in accordance with IFRS 9 Financial Instruments, as the standard relates to financial instruments. Taxes arise from statute and not a contract, but impairments have been measured applying the credit loss model set out in IFRS 9. The impairment model in IFRS 9 is based on the premise of providing for expected losses, applying information available and considering the probability of collection.

The value of WRA receivables is reviewed individually at each reporting period date to decide whether there is any sign of impairment. If such a sign exists, the values in the statement of financial position are reported after impairment to reflect the amount that is likely to be collected.

Revenue losses occur when the WRA formally ceases collection activity. The vast majority of these cases are driven by individual and business insolvencies. Revenue losses are made up of remissions and write-offs. Remissions are debts capable of recovery where the WRA has decided not to pursue the liability on the grounds of value for money. The WRA only writes off debts that it considers to be irrecoverable when there are no practical means for pursuing the liability.

Further accounting policies are explained under the relevant notes.

2. Revenue and other income

2.1 Land Transaction Tax

	2023-24 £000	2022-23 £000
Residential	202,595	277,938
Non-residential ^[1]	67,298	94,168
Total Land Transaction Tax	269,893	372,106

^[1] This includes mixed-use transactions of £10.61 million in 2023 to 2024 and £11.38 million in 2022 to 2023.

This figure has been reduced to account for higher-rate refunds of £18.80 million (2022 to 2023: £20.33 million) that are now treated as main residential rates where taxpayers have successfully claimed a refund.

The taxable event for LTT is the purchase of land or property. Higher residential rates of LTT are payable on the purchase of additional properties in Wales. The higher rate is repayable to the taxpayer when the taxpayer's main residence is sold within 3 years of the purchase of the additional property. This is recognised when the taxpayer or agent submits a claim, which creates the obligating event, and the sale of the previous residence falls within the reported financial year or earlier.

2.2 Landfill Disposals Tax

	2023-24 £000	2022-23 £000
Landfill Disposals Tax	29,718	42,014
Total Landfill Disposals Tax	29,718	42,014

LDT is paid when waste is disposed of to landfill and is charged by weight and type of waste.

2.3 Penalties and interest

	2023-24		2022-23	
	Penalty £000	Interest £000	Penalty £000	Interest £000
Land Transaction Tax	415	197	420	105
Landfill Disposals Tax	2	66	0	2
Total penalties and interest	417	263	420	107

Penalties are charged on the late receipt of tax returns and late payments, or for other reasons allowed under the Tax Collection and Management (Wales) Act 2016.

Interest is charged on the late payment of tax returns or penalties.

3. Expenditure

3.1 Interest paid

	2023-24 £000	2022-23 £000
Land Transaction Tax	(719)	(218)
Landfill Disposals Tax	0	0
Total interest paid	(719)	(218)

Interest is payable by the WRA on the repayment of any tax liabilities or penalties.

3.2 Revenue losses

	2023-24		2022-23	
	(Increase)/ decrease in tax impairments £000	Debt written off £000	(Increase)/ decrease in tax impairments £000	Debt written off £000
Land Transaction Tax	159	(40)	(544)	2
Landfill Disposals Tax	0	0	0	0
Total revenue losses	159	(40)	(544)	(2)

Revenue losses are made up of debt write-offs and the movement in the provision for tax impairment (see note 4.2).

Write-offs are debts that, following all reasonable action being undertaken and following careful consideration, are irrecoverable.

4. Receivables and accrued revenue receivable

4.1 Receivables due

	2023-24		2022-23	
	Receivables £000	Accrued revenue receivable £000	Receivables £000	Accrued revenue receivable £000
Land Transaction Tax	3,579	10,232	3,173	9,560
Landfill Disposals Tax	0	5,173	0	7,012
Totals before impairment	3,579	15,405	3,173	16,572
Less impairment (note 4.2)	(705)	0	(893)	0
Total	2,874	15,405	2,280	16,572

Receivables are taxpayer liabilities where the amounts owed by the taxpayer, including financial penalties and interest, have been incurred in the reporting period, but the amounts have not been received by the balance sheet date.

Accrued revenue receivables are amounts due in relation to tax returns where the tax liability has been proven at the balance sheet date but not returned at the balance sheet date.

4.2 Impairment provision

	2023-24		2022-23	
	Land Transaction Tax £000	Landfill Disposals Tax £000	Land Transaction Tax £000	Landfill Disposals Tax £000
As at 1 April	893	0	353	0
Increase/(decrease) in impairment	(160)	0	543	0
Utilisation of impairment	(28)	0	(3)	0
Balance at 31 March	705	0	893	0

An impairment provision is made when it is probable that tax or penalties due will not be received in full. An impairment is the value of a debt that we consider likely to be non-recoverable in the longer term. Receivables in the statement of financial position are reported after the deduction of the estimated value of impairments. The impairment provision is based on many factors, such as situations when

unfortunately a taxpayer is about to go into administration or when legal action has been started.

5. Cash

Cash balance at end of period

	2023-24 £000	2022-23 £000
Government Banking Service	11,805	9,535
Balance at 31 March	11,805	9,535

The WRA pays funds to the Welsh Consolidated Fund as instructed by Welsh Government. The above balance stands for funds received from taxes that were not requested prior to 31 March.

6. Payables and on-account balances

Payables and on-account balances at end of period

	2023-24 £000	2022-23 £000
Land Transaction Tax	304	536
Landfill Disposals Tax	0	0
Total	304	536

Payables and on-account balances are amounts recorded as owed by the WRA and where payment has not yet been made. Returns can be amended up to 12 months from the filing date. In some circumstances this will result in a repayment. These balances include outstanding repayments of tax, penalties or interest, including higher-rate refund claims.

7. Provision for tax at tribunal

Provision for tax at tribunal at end of period

	2023-24 £000	2022-23 £000
Land Transaction Tax	119	1
Landfill Disposals Tax	1,670	1,550
Total	1,789	1,551

As stated in accounting policy 1.3, revenue relating to tribunal cases is not recognised in the accounts until the decision or judgement is issued. The provision

has been set up to recognise that the WRA has received payments where the taxpayer has appealed to a tribunal in respect of the tax owed.

8. Contingent assets and liabilities

8.1 Contingent assets

We have the power to open an enquiry into anything contained, or required to be contained, in a tax return, that relates to:

- Whether the taxpayer is liable to pay tax
- The amount of tax payable
- Whether the person who made the tax return is entitled to a tax credit claimed in the tax return

At the conclusion of the enquiry WRA will advise the taxpayer of the outcome and whether an amendment to the tax return and/ or the tax due is being made. When the enquiry is completed and a closure notice issued, any additional tax or reduction in tax is recognised in the financial statements at the date of closure.

We have a number of open enquiries into LTT and LDT but it is our opinion that:

- Some of these are at an early stage and it is not yet possible to assess with certainty the amount of tax subject to enquiry
- To disclose any information on the nature and value may result in the disclosure of protected taxpayer information

For these reasons, a value for contingent assets relating to enquiries has not been disclosed in these financial statements.

8.2 Contingent liabilities

Taxpayers who have paid higher rates on their residential transaction have the right to claim main residential rates on their new main residence if their previous main residence is disposed of within 3 years of the purchase date of the replacement. The taxpayer must send a claim to receive the refund.

This potential refund of higher-rate tax is shown as a contingent liability for the tax statement due to the uncertainty of reclaims and their timings. For 2023 to 2024, the estimated amount is £20.0 million (2022 to 2023: £24.2 million) calculated based on guidelines issued by the Office for Budget Responsibility.

9. Balance due to the Welsh Consolidated Fund account

	2023-24 £000	2022-23 £000
Balance on Welsh Consolidated Fund as at 1 April	26,300	34,417
Net revenue for the Welsh Consolidated Fund	299,691	413,883
Less amount paid to the Welsh Consolidated Fund	(298,000)	(422,000)

Balance due to the Welsh Consolidated Fund	27,991	26,300
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10. Events after the reporting period

There are no reportable events after the reporting period.

Glossary

Amortisation

The apportionment of the cost of an intangible asset over its useful life.

Depreciation

The apportionment of the cost of a tangible non-current asset.

Financial Reporting Manual (FReM)

HM Treasury technical accounting guide to the preparation of the financial statements.

International Financial Reporting Standards (IFRS)

These are issued by the International Accounting Standards Board and financial statements of government use these as the basis of preparation for their accounts.

Mixed use

A 'mixed' property (also known as mixed use) has both residential and non-residential elements.

Non-current assets (also called fixed assets)

An asset that is held by the organisation. These can be tangible assets with physical substance or intangible assets – an identifiable non-monetary asset without physical substance, for example, licences and software.

Payables

Amounts due for payment to suppliers of goods and services at the end of the reporting period.

Receivables

Amounts owing to the WRA at the end of the reporting period.

Taxpayers' equity

The net assets of the organisation.

Welsh Consolidated Fund

The fund used by the Senedd to hold sums voted by Welsh Parliament that are then allocated via a Budget Motion.