Appointment of Kathryn Cearns as Chair of the Office of Tax Simplification

Twenty-Seventh Report of Session 2017–19

Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 5 March 2019
The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue and Customs and associated public bodies

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The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via www.parliament.uk.

Publication

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Committee reports are published on the Committee’s website at www.parliament.uk/treascom and in print by Order of the House.

Evidence relating to this report is published on the inquiry publications page of the Committee’s website.

Committee staff

The current staff of the Committee are Sarah Rees (Clerk), Peter Stam (Second Clerk), Marcus Wilton and Dan Lee (Senior Economists), Adam Wales (Chief Policy Adviser), Matt Panteli (Senior Media and Policy Officer), Anne Stark (on secondment from HM Revenue & Customs), Tom Ludlow (on secondment from the Bank of England), Yasmin Raza (on secondment from the Financial Conduct Authority) Ria Gill-Williams (on secondment from the National Audit Office), Sarah Goodwin (on secondment from the Prudential Regulation Authority) Maciej Wenerski (Senior Committee Assistant), Nicholas Berry (Committee Support Assistant), and Andrew Young (Hansard Society Scholar).

Contacts

All correspondence should be addressed to the Clerk of the Treasury Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5769; the Committee’s email address is treascom@parliament.uk.

You can follow the Committee on Twitter using @commonstreasury.
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Introduction

1. The vacancy as Chair of the Office of Tax Simplification (OTS) arose from the departure of Angela Knight who served from December 2015.

2. The Treasury announced that Kathryn Cearns had been appointed as Chair of the OTS on 26 February 2019. Her appointment takes effect from 18 March 2019. The initial appointment is for 5 years and she could be appointed for a second term.

3. In this Report, the Committee has considered the suitability of Mrs Cearns for this role against the criteria of personal independence and professional competence.

4. The Committee took oral evidence from Mrs Cearns on 5 March 2019. She provided a full CV and answered a written questionnaire prior to giving oral evidence. The Committee would like to thank Mrs Cearns for this evidence, which has been published on the Treasury Committee website.
The appointment of Kathryn Cearnas

Background on Kathryn Cearnas

5. Kathryn Cearnas was the Deputy Chairman of the Institute of Chartered Accountants in England and Wales’s (ICAEW’s) Financial Reporting Board and resigned her position upon appointment to the role of Chair of the OTS. She currently holds 12 appointments at various entities, including Chair of Audit and Risk Committee, Highways England, Member of External Audit Committee, International Monetary Fund and Non-executive Board Member, member of Audit Committee, Companies House. She was awarded an OBE for voluntary services to Government Financial Reporting.

6. Mrs Cearnas has previously been the Chairman of the ICAEW Financial Reporting Committee, the Independent Chairman of the Financial Reporting Advisory Board of HM Treasury, and a Consultant Accountant at Herbert Smith Freehills LLP. She is a Chartered Accountant and has sat on a sub-committee of the former Accounting Standards Board as part of the Urgent Issues Task Force.

Oral evidence

7. In the oral evidence, the Committee questioned Mrs Cearnas about her prior experience and her suitability for the post. Topics covered during the session included:

- How she came to apply for the role
- Her fit for the role
- How to improve the tax system for the public
- Her thoughts on a ‘fit for purpose’ tax system
- Her thoughts on the main challenges in the tax system
- Her experience as a Chair
- Her other commitments and their interaction with this role
- What tax simplification means and why tax should be simplified
- The closure of tax offices
- Scope for the simplification of the tax code
- What she hopes to achieve during her tenure as Chair
- The engagement strategy of the OTS
- The relevance of the OTS to the tax paying public
- Potential use of technology and social media to improve outreach
- Use of technology and the impact it will have, including simplification
• Previous experience at Companies House
• The impact of the change of personnel at the OTS
• Opportunities for culture change
• Potential to change the goals of the OTS
• How she will identify when a change in Chair is required
• Resourcing of the OTS

Conclusion

8. The Committee is satisfied that Kathryn Cearns OBE has the professional competence and personal independence to be the Chair of the Office of Tax Simplification. We wish her every success in her new role.
Formal minutes

Tuesday 5 March 2019

Members present:

Nicky Morgan, in the Chair
Mr Steve Baker  Stewart Hosie
Colin Clark  Catherine McKinnell
Mr Simon Clarke  Wes Streeting
Charlie Elphicke

Draft Report (Appointment of Kathryn Cearns as Chair of the Office of Tax Simplification), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 8 read and agreed to.

Resolved, That the Report be the Twenty-Seventh Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 12 March at 9.00am]
Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee’s website.

Tuesday 5 March

Kathryn Cearns, Nominated Chair, Office of Tax Simplification

Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee’s website.

OTS numbers are generated by the evidence processing system and so may not be complete.

1. Office of Tax Simplification (OTS0001)
2. Office of Tax Simplification (OTS0002)
List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee’s website. The reference number of the Government’s response to each Report is printed in brackets after the HC printing number.

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