

That review of HMRC is still needed

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Before the May election Labour promised that it would undertake a review of HMRC if it was returned to power. It wasn't, of course, but I'm pleased to note that the issue has not gone away. As [Economia magazine](#) (the mouthpiece of the Institute of Chartered Accountants in England and Wales) has reported in the last few days:

Labour may have to wait five years before undertaking its review into the culture and practices of HMRC, but others have taken up the cudgels for immediate action, as Paul Golden discovers

The range of those requesting a serious review is surprisingly wide, and welcome. As Economia note of my own opinion on the matter:

HMRC's management structure is wrong, resources are inappropriately focused, there is insufficient accountability and it is an embarrassment that permanent secretaries are being called before the Public Accounts Committee because there is no one else to hold them to account.

That is the view of Tax Research UK director Richard Murphy, who says a thorough review of the governance of HMRC is required and that it is "absurd" that HMRC's board is made up of representatives from the large business community and its advisers "who between them represent about 700 tax payers when there are 31m income tax payers in the UK." He continues: "It is also absurd that parliament has almost no resources available to it to scrutinise HMRC. Margaret Hodge may have done well, but it was despite the NAO and not because of it — indeed, the NAO fought long and hard to deny information on HMRC to the PAC. That is wholly unacceptable and must change, which is why I suggest there should be an Office for Tax Responsibility reporting straight to the PAC that can properly audit HMRC and tax policy."

Murphy adds that any review should look at the resourcing of HMRC and should have representation from beyond big business and the tax profession. If government cannot be persuaded to implement a review, employers' groups, professional bodies and trade unions should work together, he says.

He accepts that funding would be an issue, but says a relatively limited number of people producing a report on a timely basis could have a significant impact on taxation in the UK during the next 10 to 20 years.

I linked all this to my support for the creation of an Office for Tax Responsibility, of course. But, I stress, that is only one view and there will be many more to be heard. I rather hope that as Labour moves beyond its leadership election this is an issue that they can take up again.