



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **FNSACCT603B Implement tax plans and evaluate tax compliance**

**Release: 1**

## **FNSACCT603B Implement tax plans and evaluate tax compliance**

### **Modification History**

Not applicable.

### **Unit Descriptor**

This unit covers the competency to implement tax plans and evaluate tax compliance.  
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### **Application of the Unit**

This unit requires the application of skills and knowledge required to implement tax plans and to evaluate organisations taxation compliance. The unit encompasses assessing taxation liabilities, optimising tax position, establishing processes and plans, evaluating tax policies and reviewing taxation compliance.

The unit can be applied across the financial services sector, and is appropriate for a person with suitable qualifications and experience such as an accountant and taxation specialist that is responsible for implementing tax plans and evaluating compliance with taxation requirements.

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### **Licensing/Regulatory Information**

Not applicable.

### **Pre-Requisites**

Not applicable.

## Employability Skills Information

The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements. The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

## Elements and Performance Criteria Pre-Content

Elements define the essential outcomes of a unit of competency.

Performance Criteria describe the required performance needed to demonstrate achievement of the Element. **Bold, italicised** terms are elaborated in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

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## Elements and Performance Criteria

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Element	Performance Criteria
1 Assess tax liabilities	<ul style="list-style-type: none"><li>1.1 Organisational and operational <b>tax liabilities</b> are identified by analysis of external and internal <b>taxable transactions</b></li><li>1.2 History and trends in <b>obligations</b> arising from organisational transactions are quantified using <b>standard accounting techniques</b></li><li>1.3 <b>Data</b> from transactions are analysed to resolve ambiguities and determine the nature of taxation options</li><li>1.4 Effects of taxes are analysed and scheduled by assessing <b>methods of determination, tax bases</b> and timing of incidence</li></ul>
2 Optimise tax positions	<ul style="list-style-type: none"><li>2.1 Implications of obligations on operations and structures are assessed to develop a range of treatments and responses</li><li>2.2 <b>Financial management strategies</b> are developed to ensure the alignment of cash flow with incidence</li></ul>

- and schedules of tax payments
- 2.3 Trends in tax liabilities are analysed and monitored to develop a history of obligations and compliance
- 3 Establish processes and plans
- 3.1 Management plans and **record keeping systems** are developed to implement financial management strategies and ensure the maintenance of an audit trail
- 3.2 **Management processes** are documented to ensure they promote standard application of compliance requirements
- 3.3 Taxation liabilities are derived from income and expenditure estimates using standard accounting techniques
- 3.4 Budgets are prepared in accordance with estimates and reviewed to ensure ongoing relevance of liability estimates
- 4 Evaluate tax policies
- 4.1 **Variances** between liabilities and taxation plans are analysed to identify errors in tax strategies
- 4.2 Performance of tax liabilities in similar or related organisations and operations are monitored and evaluated to measure tax effectiveness and prepare benchmarks and standards
- 4.3 Data is reviewed for accuracy, completeness and reliability of **assumptions** in liability projections
- 5 Review tax compliance
- 5.1 The achievement of performance indicators is assessed and reviewed against key result areas
- 5.2 Taxation preparation processes are monitored and reviewed in line with professional taxation and accounting standards requirements
- 5.3 Failures in compliance are analysed to diagnose shortcomings and to remedy processes in line with taxation authorities' requirements

## Required Skills and Knowledge

### REQUIRED KNOWLEDGE&SKILLS

#### Knowledge requirements include:

NOTE: As stipulated by the Tax Agents Registration Board, the taxation knowledge components only of this accounting unit of competency must be tested through written examination. All other components can be assessed as advised in the Assessment Guidelines section of this package.

current financial legislation (eg taxable transactions, reporting requirements)

range of acceptable practices required to obtain deductions under relevant tax legislation (eg Capital Gains Tax (CGT), income tax)

principles of internal control (including statutory requirements)

principles of valuation and common methods of depreciation

detailed knowledge of formats required for submission of statutory returns

methods and principles of accrual accounting

ethical considerations for preparation of returns (eg disclosure)

#### Skills requirements include:

forecasting techniques

interpersonal skills and communication skills (eg liaising, listening, consulting)

report writing and preparation

numeracy skills for calculation of revenues and payments

research skills to identify valuations and applicable professional standards

capacity to troubleshoot information technology systems

## Evidence Guide

### EVIDENCE GUIDE

Assessment of performance requirements in the unit should be undertaken in an industry context. The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competency for the unit. Competency is demonstrated by performance of all stated criteria including the Range Statement applicable to the workplace.

#### Overview of assessment requirements

To achieve competency in this unit, a person must be able to demonstrate:

- knowledge of standard accounting techniques
- knowledge of organisational policies and procedures
- ability to assess tax liabilities
- ability to optimise tax position
- ability to establish processes and plans
- ability to evaluate tax policies
- ability to review tax compliance

#### Critical aspects of evidence

##### Evidence required for demonstration of consistent performance:

Competence in this unit must be assessed over a period of time in order to ensure consistency of performance over the Range Statement and contexts applicable to the work environment.

##### Delivery/assessment relationship to other units:

Prerequisite units:  
FNSACCT502B Prepare income tax returns.

#### Assessment requirements

##### Method of assessment:

For valid and reliable assessment of this unit, evidence should be gathered through a range of methods to indicate consistent performance.

Assessment of this unit of competence will usually include observation of processes and procedures, oral and/or written questioning on underpinning knowledge and skills and other methods as required.

##### Context of assessment:

Assessment of performance requirements in

this unit should be undertaken within the financial services industry context and should cover aspects of personal/financial responsibility and accountability.

Aspects of competency, including the attainment of relevant knowledge and skills, may be assessed in a relevant workplace, a closely simulated work environment, or other appropriate means that clearly meet industry competency requirements.

**Resources required for assessment:**

Assessment of this unit of competence requires access to suitable resources to demonstrate competence.

Assessment instruments, including personal planner and assessment record book.

Access to registered provider of assessment services.

## Range Statement

The Range Statement relates to the unit of competency as a whole. It allows for different work environments and situations that will affect performance.

The following variables may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts. If **bold italicised** text is shown in Performance Criteria, details of the text are provided in the Range Statement.

**Tax liabilities** may include:

State Government charges (eg payroll taxes)  
income tax (including corporate tax and Capital Gains Tax)  
Fringe Benefits Tax (FBT)  
superannuation requirements  
instalments  
withholdings  
luxury car tax  
wine equalisation tax

**Taxable transactions** may include:

income  
purchases  
payments  
capital gains  
superannuation payments  
financial adjustments (eg write-offs, revaluations)  
allowable deductions

**Obligations** may include:

lodgement dates  
supporting documentation  
explanatory statements  
repayment schedules

**Standard accounting techniques** may include:

discounted cash flows  
deprival asset valuations  
rates of return  
pay back periods



	impact statements
	pro-rata and percentage apportionment
	direct allocation
	forecasting techniques
<b>Data may include:</b>	budgets and forecasts
	financial statements and reports
	market valuations
	Australian Bureau of Statistics (ABS)
	economic data
	financial markets monitoring services (eg Reuters)
	credit ratings
	revenue and sales
<b>Methods of determination may include:</b>	income assessment
	forecasted income
	superannuation contributions
	fringe benefits assessments
	sales receipts
	investment income
<b>Tax bases may include:</b>	employees
	revenue gathering practices
	superannuation
	salaries
<b>Financial management strategies may include:</b>	cost recoveries
	budget absorption
	purchases
	adjustment of borrowings
	asset liquidation
	long term investments
<b>Record keeping systems may include:</b>	invoices
	purchase orders
	requisitions
	receipts

	periodic updates (eg daily, transaction based, monthly)
	centralised and decentralised recording
	classification by account type
	classification by account performance
	recording authorities
<b>Management processes</b> may include:	decision making authorities
	expenditure authorities
	signature approvals
	program responsibilities
	lending approvals
<b>Variances</b> may include:	budget expenditures
	profits and losses
	rate of investment returns
	unit costs
<b>Assumptions</b> may include:	expenditure limits
	productivity levels
	cash and business returns
	market share growth
	competitors' behaviour
	regulatory stability

## Unit Sector(s)

Not applicable.

## Relationship to other units

This unit replaces FNSACCT603A.

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