



Australian Government

Department of Education, Employment and Workplace Relations

FNSACCT502B Prepare income tax returns

Release: 1

FNSACCT502B Prepare income tax returns

Modification History

Not applicable.

Unit Descriptor

This unit covers the preparation of income tax returns for individuals in accordance with statutory requirements.

This unit covers the preparation of income tax returns for individuals in accordance with statutory requirements.

Application of the Unit

This unit requires the application of skills and knowledge required to prepare income tax returns for individuals in accordance with statutory requirements.

The unit encompasses gathering and verifying data, calculating taxable income and reviewing compliance.

This unit has application to accountants and registered tax agents.

This unit requires the application of skills and knowledge required to prepare income tax returns for individuals in accordance with statutory requirements.

The unit encompasses gathering and verifying data, calculating taxable income and reviewing compliance.

This unit has application to accountants and registered tax agents.

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.

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.

Elements and Performance Criteria

Elements and Performance Criteria

Element	Performance Criteria
1 Gather and verify data	1.1 Current data on assessable income and allowable deductions are gathered from appropriate sources 1.2 Valuations are made, recorded and disclosed in accordance with business policies and procedures 1.3 Discrepancies, unusual features or queries are identified, resolved or referred to the appropriate authority 1.4 Accrued or prepaid income and expenditure is identified and adjustments to the value of assets and liabilities are recorded
2 Calculate taxable income	2.1 Liabilities for tax are calculated in accordance with current legislation and revenue gathering practices 2.2 Relevant source documentation is identified correctly 2.3 Tax returns, statements and claims take full advantage of available benefits and allowances in accordance with statutory requirements 2.4 Returns are prepared within established timelines
3 Review compliance	3.1 Relevant returns are submitted to appropriate authorities within stated deadlines 3.2 Current obligations are fulfilled and advice from taxation authorities followed and reported in

accordance with **statutory requirements**

- 3.3 Statements give a clear indication of impact of taxation on individual
- 3.4 Tax office enquiries and income tax audit requirements are met

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 Training Package.

income tax legislation

State and Federal Government taxes and charges

options, methods and practices for deductions, benefits and depreciation

ethical considerations for the handling of returns (eg conflict of interests, confidentiality, disclosure requirements)

Skills requirements include:

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

working with individuals and appropriate authorities to resolve discrepancies, unusual features and queries

report writing and document preparation

recording, gathering and consolidating financial information

researching and identifying legislation and rulings applicable to income taxation

information technology use for the set up and analysis of spreadsheets

planning skills for timetabling and scheduling reports and lodgements

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 statutory requirements

knowledge of state and territory taxes and charges

knowledge of organisational policies and procedures

knowledge of accounting principles and practices

ability to gather and verify data

ability to calculate taxable income

ability to review compliance

knowledge of relevant taxation legislation

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:

This unit may be assessed on its own or it may be assessed with other units that cover related skills and knowledge.

Evidence is most relevant when provided through an integrated activity, which combines the elements of competency for the unit, or a cluster of units of competency.

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.

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.

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.

Business policies and procedures may include:

- reporting requirements
- financial analysis assessments
- electronic data entry
- recording and filing systems
- standard financial analysis techniques
- financial management manuals

Discrepancies may include:

- expenditure report mismatches
- incorrect payments
- absence of auditable trail
- inappropriate authorisations
- variances from budget
- incorrect report formats

Asset and liabilities may include:

- property investments
- shares, bonds, securities
- loans, leases, debts
- plant and equipment
- cash

Tax may include:

- Capital Gains Tax (CGT)
- individual income tax
- partnership

Revenue gathering practices may include:

- sales
- leasing
- investments
- billing schedules

	lending and financing
	fees and charges
Source documentation may include:	order and supplier documentation
	financial institution statements
	taxation and statutory returns
	vehicle log books
	statutory declarations
	invoices
	receipts
Revenue documentation may include:	invoices
	declarations
	bills
	sales proceeds
	cash received
	debit notes
Returns and statements may include:	financial statements
	financial institution statements
	asset usage reports
	taxation declarations
	inventory usage reports
Obligations may include:	lodgement dates
	supporting documentation
	explanatory statements
	repayment schedules
Statutory requirements may include:	reporting periods
	taxation payment timings
	delegated authorities
	internal control procedures

Unit Sector(s)

Not applicable.

Relationship to other units

This unit replaces FNSACCT502A.

This unit replaces FNSACCT502A.