



Australian Government

Department of Education, Employment and Workplace Relations

FNSACC502A Prepare income tax returns for individuals

Revision Number: 1

FNSACC502A Prepare income tax returns for individuals

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to prepare non-complex income tax returns for individuals in accordance with statutory requirements, and encompasses gathering and verifying data, calculating taxable income and reviewing compliance. This unit has application to a variety of financial services sectors and is applicable to individuals working within enterprises and job roles that may be subject to licensing, legislative, regulatory or certification requirements. The Tax Practitioner's Board has set specific educational and experience requirements for registration of tax agents that must be met.
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Application of the Unit

Application of the unit	This unit has application to accountants and registered tax agents.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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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 <i>business policies and procedures</i> 1.3. <i>Discrepancies</i>, 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 <i>assets and liabilities</i> are recorded
2. Calculate taxable income	2.1. Liabilities for <i>tax</i> are calculated in accordance with current legislation and <i>revenue gathering practices</i> 2.2. Relevant <i>source documentation</i> and <i>revenue documentation</i> is identified and correctly interpreted 2.3. Tax <i>returns, statements</i> 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 the Australian Taxation Office (ATO) within stated deadlines 3.2. Current <i>obligations</i> are fulfilled and advice from taxation authorities followed and reported in accordance with <i>statutory requirements</i> 3.3. Statements give a clear indication of impact of taxation on individual 3.4. Tax office enquiries are responded to and income tax audit requirements met

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - determine and confirm taxation preparation requirements and deal with clients, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- research skills such as:
 - accessing and managing financial services information
 - accessing and interpreting taxation legislation documentation
- literacy skills for analysing information needs and preparing clear written advice for clients and taxation lodgement documentation
- numeracy skills for financial calculations and analysis
- IT skills for developing and using spreadsheets and databases and using internet information
- learning skills to maintain knowledge of changes to taxation legislation and requirements
- problem solving skills to identify any taxation issues that have the potential to impact on client services and to develop options to resolve these issues when they arise
- organisational skills, including the ability to plan and sequence work and correctly schedule taxation lodgements

Required knowledge

- ethical considerations for the handling of taxation returns including:
 - conflict of interests
 - confidentiality
 - disclosure requirements
- income tax legislation
- options, methods and practices for deductions, benefits and depreciation
- Commonwealth government taxes and charges

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- interpret and comply with statutory requirements and Commonwealth taxation legislation
- apply organisational policies and procedures and accounting principles and practices
- gather and verify data to calculate taxable income and review for compliance.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to internet.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- assessment requirements set by the Tax Practitioner's Board
- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- verbal or written questioning on underpinning knowledge and skills
- setting and reviewing business taxation simulations
- evaluating samples of work.

Guidance information for assessment

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that 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) may also be included.

<i>Business policies and procedures</i> may include:	• electronic data entry • financial analysis assessments • financial management manuals • recording and filing systems • reporting requirements • standard financial analysis techniques.
<i>Discrepancies</i> may include:	• absence of auditable trail • expenditure report mismatches • inappropriate authorisations • incorrect payments • incorrect report formats • variances from budget.
<i>Assets and liabilities</i> may include:	• cash • loans, leases, debts • plant and equipment • property investments • shares, bonds, securities.
<i>Tax</i> may include:	• Capital Gains Tax (CGT) • individual income tax • partnership tax as it applies to accessible income for a partner.
<i>Revenue gathering practices</i> may include:	• billing schedules • fees and charges • investments • leasing • lending and financing • sales.
<i>Source documentation</i> may include:	• financial institution statements • invoices • order and supplier documentation • receipts • statutory declarations

RANGE STATEMENT	
	• taxation and statutory returns • vehicle log books.
Revenue documentation may include:	• bills • cash received • debit notes • declarations • invoices • sales proceeds.
Returns and statements may include:	• asset usage reports • financial institution statements • financial statements • inventory usage reports • taxation declarations.
Obligations may include:	• explanatory statements • lodgement dates • repayment schedules • supporting documentation.
Statutory requirements may include:	• delegated authorities • internal control procedures • reporting periods • taxation payment timings.

Unit Sector(s)

Unit sector	Accounting
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		