



Australian Government

Department of Education, Employment and Workplace Relations

FNSACC603A Implement tax plans and evaluate tax compliance

Revision Number: 1

FNSACC603A Implement tax plans and evaluate tax compliance

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to assess taxation liabilities, optimise tax positions, establish processes and plans, evaluate tax policies and review tax compliance. This unit has application to a variety of financial services sectors and is applicable to individuals working within enterprises and job roles 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	The unit can be applied across the financial services industry, and is appropriate for a person with suitable qualifications and experience such as an accountant and taxation specialist.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		
	FNSACC502A	Prepare income tax returns for

Prerequisite units		
		individuals

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. Assess tax liabilities	1.1. Organisational and operational tax liabilities are identified by analysis of external and internal taxable transactions 1.2. History and trends in obligations arising from organisational transactions are quantified using standard accounting techniques 1.3. Data from transactions are analysed to resolve ambiguities and determine the nature of taxation options 1.4. Effects of taxes are analysed and scheduled by assessing methods of determination, tax bases and timing of incidence
2. Optimise tax positions	2.1. Implications of obligations on operations and structures are assessed to develop a range of treatments and responses 2.2. Financial management strategies are developed to ensure the alignment of cash flow with incidence 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

ELEMENT	PERFORMANCE CRITERIA
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 SKILLS AND KNOWLEDGE

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

Required skills

- well-developed communication skills to:
 - determine and confirm taxation planning and compliance requirements and deal with client's, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- highly developed research skills such as:
 - accessing and managing complex financial services information
 - accessing and interpreting complex taxation plans and legislation
- literacy skills for analysing information needs and preparing clear written advice for clients and taxation planning documentation
- well-developed numeracy skills for financial calculations and analysis
- IT skills for developing, using and troubleshooting integrated financial systems, spreadsheets and databases and using internet information
- learning skills to maintain knowledge of changes to taxation legislation and requirements
- high level problem solving skills to identify any taxation issues that have the potential to impact on clients 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
- research skills to identify valuations and applicable professional standards

Required knowledge

- current financial legislation
 - taxable transactions
 - reporting requirements
- detailed knowledge of formats required for submission of statutory returns
- ethical considerations for preparation of returns including disclosure
- methods and principles of accrual accounting
- principles of internal control including statutory requirements
- principles of valuation and common methods of depreciation
- range of acceptable practices required to obtain deductions under relevant tax legislation such as:
 - Capital Gains Tax (CGT)
 - income tax

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 use standard accounting techniques - work within organisational policies and procedures • assess tax liabilities and optimise tax position • establish processes and plans • evaluate tax policies and review 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 an integrated financial software system and data.
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: • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • assessment as set by the Tax Practitioners Board for BAS and tax agent registration • 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.

Tax liabilities may include:

- Fringe Benefits Tax (FBT)
- fuel tax credits.
- Goods and Services Tax (GST)
- income tax including corporate tax and CGT
- instalments
- luxury car tax
- Pay-As-You Go (PAYG) tax withheld
- PAYG income tax instalments
- State government charges such as payroll taxes
- superannuation requirements
- wine equalisation tax
- withholdings.

Taxable transactions may include:

- allowable deductions
- capital gains
- financial adjustments such as:
 - write-offs
 - revaluations
- income
- payments
- purchases
- superannuation payments.

Obligations may include:

- explanatory statements
- lodgement dates
- repayment schedules
- supporting documentation.

Standard accounting techniques may include:

- deprival asset valuations
- direct allocation
- discounted cash flows
- forecasting techniques
- impact statements
- pay-back periods
- pro rata and percentage apportionment

RANGE STATEMENT	
	• rates of return.
Data may include:	• Australian Bureau of Statistics (ABS) economic data • budgets and forecasts • credit ratings • financial markets monitoring services • financial statements and reports • market valuations • revenue and sales.
Methods of determination may include:	• forecasted income • fringe benefits assessments • income assessment • investment income • sales receipts • superannuation contributions.
Tax bases may include:	• employees • revenue gathering practices • salaries • superannuation.
Financial management strategies may include:	• adjustment of borrowings • asset liquidation • budget absorption • cost recoveries • long-term investments • purchases.
Record keeping systems may include:	• centralised and decentralised recording • classification by account performance • classification by account type • invoices • periodic updates: • daily • transaction-based • monthly • purchase orders • receipts • recording authorities • requisitions.
Management processes may include:	• decision making authorities • expenditure authorities • lending approvals

RANGE STATEMENT	
	• program responsibilities • signature approvals.
Variances may include:	• budget expenditures • profits and losses • rates of investment returns • unit costs.
Assumptions may include:	• cash and business returns • competitors' behaviour • expenditure limits • market share growth • productivity levels • regulatory stability.

Unit Sector(s)

Unit sector	Accounting
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		