REPUBLIC OF KENYA

NATIONAL OCCUPATIONAL STANDARDS

FOR ACCOUNTANCY TECHNICIAN

KNQF LEVEL 6
CYCLE 3

ISCED CODE: 0411 551A

TVET CDACC
P.O. BOX 15745-00100
NAIROBI

CONDUCT PUBLIC FINANCE AND TAXATION

UNIT CODE: 0411 551 11A

TVET CDACC UNIT CODE: BUS/OS/AC/CR/04/6/MA

UNIT DESCRIPTION

This unit specifies the competencies required to apply principles of taxation. It involves; demonstrating understanding of public finance and taxation process, demonstrating understanding of public budget process, managing public finance, computing taxable income, computing capital allowances, administering income tax, administering presumptive tax and VAT and administering customs and excise duty.

ELEMENTS AND PERFORMANCE CRITERIA

ELEMENT	PERFORMANCE CRITERIA
These describe the **key outcomes** which make up **workplace function**.	These are **assessable** statements which specify the required level of performance for each of the elements. *Bold and italicized terms are elaborated in the range.*
1. Demonstrate understanding of public finance and taxation process	1.1 Public finance sources are identified as per income tax Act 1.2 Public expenditure is determined as per income tax Act. 1.3 Principles of an optimal tax system are identified as per income tax Act 1.4 Taxes and tax rates are classified as per income tax Act. 1.5 Impact, incidence and shifting of tax are determined as per income tax Act. 1.6 Taxable capacity is determined as per income tax Act. 1.7 Structure of revenue authority is reviewed as per the income tax Act.

2. Demonstrate understanding of public budget process	2.1 Public budget policy is formulated as per the public finance management Act.
	2.2 Budget committee is formed as per the public finance management Act.
	2.3 Public budget components are identified as per the public finance management Act.
	2.4 Previous public budget is reviewed as per the public finance management Act.
	2.5 Public budget approval is carried out as per the public finance management Act.
	2.6 Public budget is executed as per the public finance management Act.
	2.7 Public budget is audited as per the public finance management Act.
3. Manage public finance	3.1 Public finance principles are applied as per the public finance management Act.
	3.2 Government expenditure areas are identified as per the public finance management Act.
	3.3 Government revenue sources are selected as per the public finance management Act.
	3.4 Taxation principles are applied as per the public finance management Act.
	3.5 Fiscal policy is formulated as per the public finance management Act.
	3.6 National debt levels are determined as per the public finance management Act.
4. Compute taxable income	4.1 Sources of taxable income are identified as per income tax Act.
	4.2 Employment income is computed as per income tax

	Act.
	4.3 **Business** income is computed as per income tax Act.
	4.4 Income from rent and royalties, farming, investment and capital gain tax are computed as per income tax Act.
5. Compute capital allowances	5.1 Investment deductions are determined as per the income tax Act.
	5.2 Industrial building deductions are determined as per income tax Act.
	5.3 Wear and tear allowances are determined as per income tax Act.
	5.4 Farm works deductions are determined as per income tax Act.
	5.5 Mining allowance are determined as per income tax Act
	5.6 Shipping investment deduction is determined as per income tax Act.
6. Administer income tax	6.1 Assessments and returns are determined as per income tax Act.
	6.2 PAYE returns are prepared as per income tax Act.
	6.3 Notices, objections, appeals, appellant bodies and relief of mistakes are identified as per income tax Act.
	6.4 Collection, recovery and refund of taxes procedures are determined as per the revenue authority procedures
	6.5 Offences, fines, penalties and interest are determined as revenue authority procedures
	6.6 ICT is applied in taxation as per the integrated tax

	system
7. Administer presumptive tax and VAT	7.1. Presumptive tax is determined as per income tax Act.
	7.2. Businesses are registered and deregistered for VAT as per VAT Act.
	7.3. Taxable and non-taxable supplies/ and privileged persons and institutions are determined as per VAT Act.
	7.4. VAT is accounted for as per VAT Act.
	7.5. VAT is remitted and refunded as per VAT Act
	7.6. Rights and obligations of VAT registered person are identified as per VAT Act.
	7.7. Offences fines, penalties and interest implications are determined as per the VAT Act.
8. Administer customs and excise duty	8.1. Customs and excise duty procedures are determined as per customs and excise Act.
	8.2. Import and export duties are determining as per customs and excise Act.
	8.3. Prohibitions and restriction measures on import are identified as per customs and excise Act.
	8.4. Transit goods and bond securities are identified as per customs and excise Act.
	8.5. Excisable goods and services are identified as per customs and excise Act.
	8.6. Customs and excise duties purpose is identified as per customs and excise Act
	8.7. Goods subject to customs control are identified as per customs and excise Act.
	8.8. Import declaration form, pre-shipment inspection, clean report of findings is identified as per customs

	and excise Act.

RANGE

This section provides work environments and conditions to which the performance criteria apply. It allows for different work environment and situations that will affect performance.

Variable	Range
1. Businesses may include but not limited to:	- Sole proprietorship - Partnership - Companies - NGOs - SACCOs and cooperatives

REQUIRED KNOWLEDGE AND UNDERSTANDING

The individual needs to demonstrate knowledge of:

- Business & Economic cycles in a diverse range of sectors.
- Financial Accounting.
- Risk management.

SKILLS

The individual needs to demonstrate the following skills:

- Evaluation.
- Communication
- Analysis.
- Report writing.
- Negotiation
- Inter-personal.

EVIDENCE GUIDE

This provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge and range.

1. Critical Aspects of Competency	Assessment requires evidence that the candidate: 1.1 Demonstrated understanding of public finance and taxation as per public finance management Act 1.2 Demonstrated understanding of public budget process as per public finance management Act 1.3 Managed public finance as per public finance management Act. 1.4 Computed taxable income as per income tax Act. 1.5 Computed capital allowances as per income tax Act 1.6 Administered income tax as per income tax Act. 1.7 Administered presumptive tax and VAT as per VAT Act. 1.8 Administered customs and excise duty as per customs and excise duty Act.
2. Resource Implications	The following resources should be provided: 2.1 Access to relevant workplace where assessment can take place 2.2 Appropriately simulated environment where assessment can take place 2.3 Materials relevant to the proposed activity or tasks
3. Methods of Assessment	Competency in this unit may be assessed through: 3.1 Practical 3.2 Projects 3.3 Poe evaluation 3.4 Third party reports 3.5 Written tests

4. Context of Assessment	4.1 The competency may be assessed in a workplace or a simulated workplace
5. Guidance information for assessment	5.1 Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.