



REPUBLIC OF KENYA

COMPETENCY-BASED MODULAR CURRICULUM

FOR

ACCOUNTANCY

KNQF LEVEL 6

(CYCLE 3)

PROGRAM CODE: 0411 551A



TVET CDACC
P.O. BOX 15745-00100
NAIROBI

PUBLIC FINANCE AND TAXATION

UNIT CODE: 0411 551 11A

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

Duration of Unit: 130 hours

Relationship to Occupational Standards

This unit addresses the unit of competency: Conduct Public Finance and Taxation

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.

Summary of Learning Outcomes

| S/NO | ELEMENTS | DURATION (HOURS) |
|-------------|--|-----------------------------|
| 1 | Demonstrate understanding of public finance and taxation process | 18 |
| 2 | Demonstrate understanding of public budget process | 16 |
| 3 | Manage public finance | 16 |
| 4 | Compute taxable income | 16 |
| 5 | Compute capital allowances | 16 |
| 6 | Administer income tax | 16 |
| 7 | Administer presumptive tax and VAT | 16 |
| 8 | Administer customs and excise duty | 16 |
| | | TOTAL 130 HOURS |

Learning Outcomes, Content and Suggested Assessment Methods

| Learning Outcome | Content | Suggested Assessment Methods |
|--|---|---|
| 1. Understand public finance and taxation process | <p>1.1 General overview of Public Financial Management as envisaged by the Constitution (</p> <p>1.1.1 Chapter 12 of the constitution)</p> <p>1.1.2 Financial regulations</p> <p>1.1.3 Treasury Circulars</p> <p>1.1.4 Process of developing county government finance bills</p> <p>1.2 History and Purposes of taxation</p> <p>1.2.1 Role of the government in an economy</p> <p>1.3 Principles of an optimal tax system</p> <p>1.3.1 Single versus multiple tax systems</p> <p>1.4 classification of taxes</p> <p>1.4.1 Tax rates</p> <p>1.5 Impact incidence and tax shifting, tax shifting theories</p> <p>1.6 Taxable capacity</p> <p>1.7 Revenue authority – History, structure and mandate</p> | <p>2. Practical assessment</p> <p>3. Project</p> <p>4. Portfolio of evidence</p> <p>5. Third party reports</p> <p>6. Written tests</p> <p>7. Oral questions</p> |
| 2.Demonstrate understanding of Public budget process | <p>2.1 General definition of budgets terms</p> <p>2.2 Role of budget officers in budget preparation and execution</p> | <ul style="list-style-type: none"> • Written tests • Observation • Oral questions • Third party |

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| | <p>2.3 Responsibilities of The National and County treasury's in relation to budget preparation</p> <p>2.4 Budget process for both national, county and Public entities</p> <p>2.5 Budgetary and fiscal policy tools</p> | <p>report</p> <ul style="list-style-type: none"> • Interviewing • Project and report writing |
| 3 Manage public finance | <p>3.1 Principles of public finance</p> <p>3.2 Areas of government expenditure are identified</p> <p>3.3 Government revenue sources are identified</p> <p>3.4 Taxation principles are applied</p> <p>3.5 Fiscal policy is formulated</p> <p>3.6 National debt levels are determined</p> | <p>4 Practical assessment</p> <p>5 Project</p> <p>6 Portfolio of evidence</p> <p>7 Third party reports</p> <p>8 Written tests</p> <p>9 Oral questions</p> |
| 4. Compute taxable income | <p>4.1 Taxable and non-taxable persons</p> <p>4.2 Sources of taxable incomes</p> <p>4.3 Employment income:</p> <p> 4.3.1 Taxable and non-taxable benefits</p> <p> 4.3.2 Allowable and non-allowable deductions</p> <p> 4.3.3 Tax credits Pension Income</p> <p>4.4 Business income:</p> <p> 4.4.1 Sole proprietorship</p> <p> 4.4.2 Partnerships (excluding conversions)</p> <p> 4.4.3 Incorporated entities (excluding specialised institutions)</p> <p> 4.4.4 Turnover tax</p> <p>4.5 Income from use of property- rent</p> | <p>5 Practical assessment</p> <p>6 Project</p> <p>7 Portfolio of evidence</p> <p>8 Third party reports</p> <p>9 Written tests</p> <p>10 Oral questions</p> |

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| | and royalties, Farming income Investment income | |
| 5. Compute capital allowances | 5.1 Rationale for capital deductions 5.2 Investment deductions: ordinary manufacturers 5.3 Industrial building deductions 5.4 Wear and tear allowances 5.5 Farm works deductions 5.6 Mining allowances 5.7 Shipping investment deductions | <ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions |
| 6 Administer income tax | 6.1 Overview of the income tax act 6.1.1 Identification of new tax payers 6.1.2 Assessments and returns 6.2 Operations of PAYE systems: Preparation of PAYE returns, categories of employees 6.3 Notices, objections, appeals and relief of mistake, Appellant bodies 6.4 Collection, recovery and refund of taxes 6.5 Offences, fines, penalties and interest 6.6 Application of ICT in business; iTax, simba system | 7 Practical assessment 8 Project 9 Portfolio of evidence 10 Third party reports 11 Written tests 12 Oral questions |
| 7. Administer presumptive tax and VAT | 7.1 Introduction and development of presumptive tax and VAT 7.2 Registration and deregistration of businesses for VAT 7.3 Taxable and non-taxable supplies | 8. Practical assessment 9. Project 10. Portfolio of evidence 11. Third party |

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| | <p>7.4 Privileged persons and institutions</p> <p>7.5 VAT rates</p> <p>7.5.1 VAT records</p> <p>7.5.2 Value for VAT, tax point</p> <p>7.5.3 Accounting for VAT</p> <p>7.5.4 VAT returns</p> <p>7.6 Remission, rebate and refund of VAT</p> <p>7.7 Rights and obligations of VAT registered person</p> <p>7.8 Offences fines, penalties and interest</p> | <p>reports</p> <p>12. Written tests</p> <p>13. Oral questions</p> |
| 8.Administer customs and presumptive tax | <p>8.1 Customs procedure</p> <p>8.2 Import and export duties</p> <p>8.3 Prohibitions and restriction measures</p> <p>8.4 Transit goods and bond securities</p> <p>8.5 Excisable goods and services</p> <p>8.6 Purposes of customs and excise duties</p> <p>8.7 Emerging issues and trends</p> | <ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions |

Suggested Delivery Methods

- Demonstration
- Practical work by trainee
- Fieldwork and benchmarking

- Group discussions

List of Recommended Resources for 30 trainees

| S/No. | Category/Item | Description/ Specifications | Quantity | Recommended Ratio (Item: Trainee) |
|----------|---|---|----------|---|
| A | Learning Materials | | | |
| 1. | Charts | • Flip Charts | 5 | 1:6 |
| B | Learning Facilities & Infrastructure | | | |
| 2. | Lecture/Theory Room | (9* 8 sq. metres) | 1 | 1:30 |
| 3. | Internet Connection | WI-FI, Dial-Up, Cable, Fixed- wireless, | 1 | 1:30 |
| C | Consumable Materials | | | |
| 4. | Markers | whiteboard markers and permanent markers | 5 | 1:6 |
| 5. | Stationery | Printing Papers, Foolscaps | 5 reams | 1:6 |
| 6. | Files / folders | | 30 | 1:1 |
| 7. | Flash disks | | 5 | 1:6 |
| D | Tools And Equipment | | | |
| 8. | Computers/Laptops | Any model | 30 | 1:1 |
| 9. | Projector | LED.LCD, Laser | 1 | 1:30 |
| 10. | Whiteboard | Glass, melamine, porcelain | 1 | 1:30 |
| 11. | Staplers | | 2 | 1:15 |

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|-----|-------------------|--|---|------|
| 12. | Paper punch | | 2 | 1:15 |
| 13. | Metallic cabinet | | 1 | 1:30 |
| 14. | Scanner | | 2 | 1:15 |
| 15. | Printer | | 1 | 1:30 |
| 16. | Print toners | | 2 | 1:15 |
| 17. | Shredding machine | | 1 | 1:30 |