

# **CFO's ROLE IN ENSURING TAX COMPLIANCE**

**Presentation by:**

**CPA MARYANNE MWAI  
CFO Oxford University Press (EA) Ltd**

# Agenda



- Introduction
- Pitfalls for CFO
- Importance of tax compliance
- Role of the CFO in tax compliance
- Managing tax risk

# Introduction



- Taxation is a major source of Revenue for Government
- Tax Revenues are used for development at county level and National Government Level
- Non-compliance is usually treated as an offence

# Introduction



- Chief Financial Officer (CFO) is the top executive responsible primarily for financial reporting
- Financial statements shows the financial health status of the firm and serves as a basis for key management decisions
- If the tax note is misstated then the financials are misleading

# Tax Pitfalls for CFO



- Not knowing or understanding the tax legislation
- Not doing reviews to check if tax accountant/  
Manager is performing their Role
- Not keeping abreast with recent tax trends
- Not engaging tax consultants on technical matters  
and during KRA audits

## Role of CFO in tax compliance

The CFO must ensure ;

- The company voluntarily discharges its tax obligations in accordance with the law
- The financial statements comply with all statutory requirements and regulatory standards
- Right amount of tax is computed and timely remitted to the relevant tax authority

# Role of CFO in tax compliance



- Timely filing of tax and self assessment returns
- Invest in systems that enable them to accurately compute taxes
- Timely resolutions of all tax disputes
- Compliance with new tax laws

# Role of CFO in tax compliance



Other areas include;

- Keeping complete and accurate records
- Getting timely and competent tax advice
- Challenging tax assessments in Legal Tribunals



# Importance of tax compliance



- The company to does not incur financial loss in the form of interest and penalties.
- Good corporate citizenship due to tax compliance
- Good Reputation
- Good standing with the government and firm is eligible for government contracts or grants

# Managing tax risk



Managing tax risk is now an essential part of corporate governance .

- CFOs must provide information on how tax risks are being managed to the board
- Manage transfer pricing risk for companies with related entities
- Advise the BOD on tax implications of mergers, acquisitions and investment decisions

# Managing tax risk



- Identify tax planning measures with the law
- Identify the tax incentives provided by tax laws and use them
- Develop a good relationship with the Revenue Authorities
- CFOs attending tax seminars

Questions?

