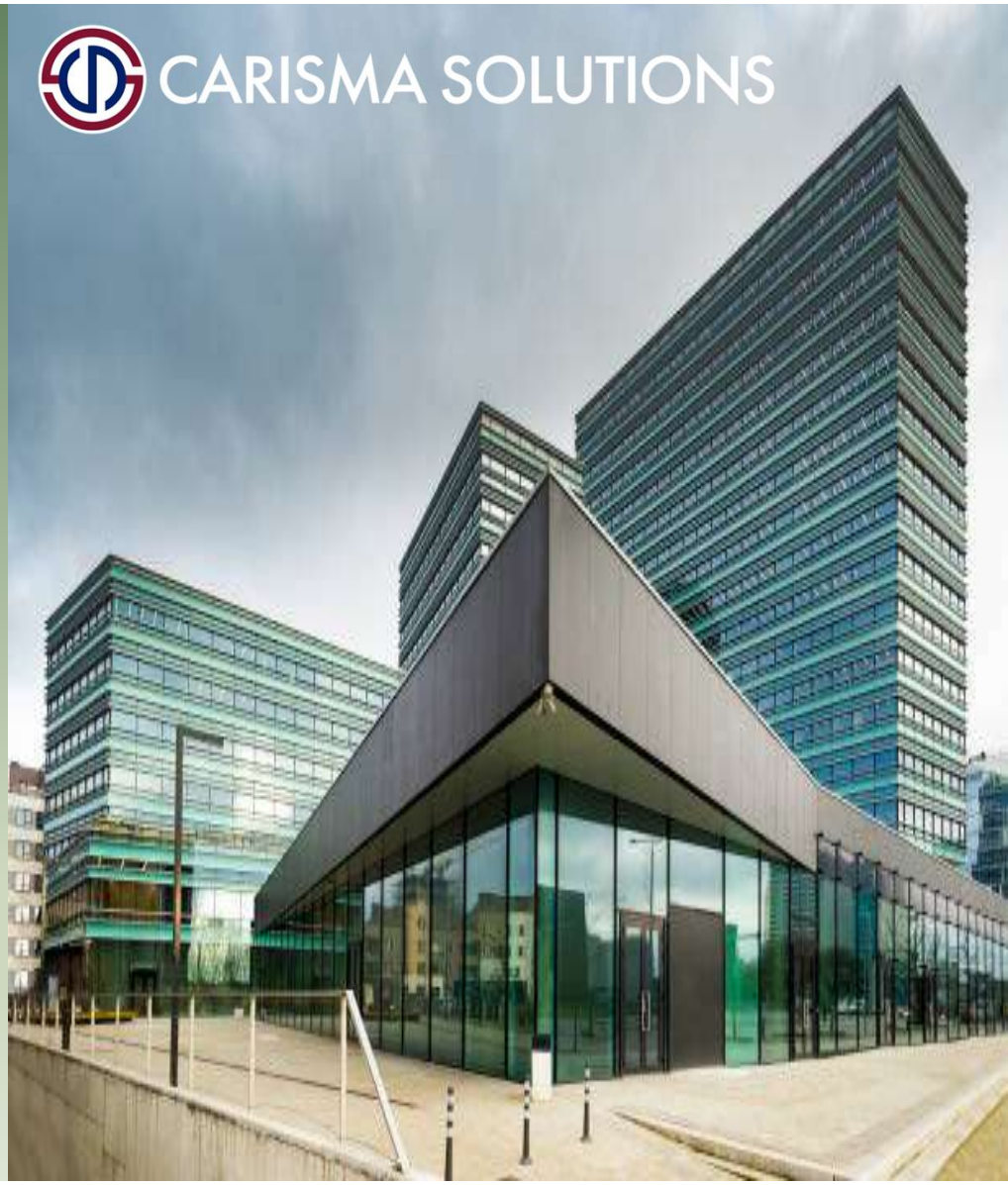
CASE STUDY

BUSINESS

ACTIVITY

STATEMENT



TITLE : Enhancing BAS Preparation Accuracy: A Client Feedback Case Study

SUBTITLE: Leveraging Expertise to Optimize PAYG Withholding Reporting

The **Business Activity Statement (BAS)** is a tax reporting tool used by businesses to report and pay various tax obligations to the Australian Taxation Office (ATO). It is primarily used by businesses registered for Goods and Services Tax (GST) but can also include other taxes such as Pay As You Go (PAYG) withholding, PAYG instalments, and fringe benefits tax (FBT).

Carisma Solutions confidential. Please do not distribute.

BACKGROUND

ABOUT US

- 15+ years of experience in accounting outsourcing, headquartered in Chennai.
- Dedicated service provider to an Australian chartered accounting firm.



CLIENT OVERVIEW

- Client processes **4000 BASs**, **2500 Income Tax Returns**, and **250 Bookkeeping tasks** annually across Victoria, Australia.
- Our role is Preparation of **monthly and quarterly BAS & IAS** for their clients.

Carisma Solutions confidential. Please do not distribute.

ISSUE

Inconsistent PAYG Withholding Reporting

- Most BASs require **1 month of PAYG Withholding,** i.e., if the total amount withheld is more than $25,000 annually
- If the businesses withholds is less than $25,000 then the BASs is filed on **quarterly basis**, this applies to smaller business or with fewer employees.
- Lack of clarity on ATO guidelines caused errors.

Mismatch in Data

- Manual entry discrepancies between **Practice Manager Software** and **ATO prefilled BAS reports**.



Repeated Client Feedback

- Errors identified multiple times, leading to additional client reviews.

Carisma Solutions confidential. Please do not distribute.

IMPACT

Compliance Risks

- Inaccurate BAS submissions will increase the risk of Australian Taxation Office penalties and audits.
- Submitting the Bas late may automatically increase the late lodgement penalty.



Time and Effort Wastage

Multiple iterations of corrections can be time consuming and increases the efforts.

Client Trust

The errors occurred impacted the client's confidence in our work, requiring immediate resolution of it.



Carisma Solutions confidential. Please do not distribute.

SOLUTION

UNDERSTANDING ATO GUIDELINES

Researched the criteria for PAYG Withholding

- **1- month PAYG W** for large withholders (Annual PAYG W > AUD 1 million).
- **3- month PAYG W** for non-large withholders.

CROSS-VERIFICATION WITH ATO PREFILLED REPORTS

- Verified STP-reported wages and PAYG Withholding in the ATO BAS portal.
- Matched prefilled data with manually entered figures in the Practice Manager Software.

TEAM TRAINING

- Conducted sessions on ATO guidelines and process improvement.



UNDERSTANDING ATO GUIDELINES



CROSS VERIFICATION WITH ATO PREFILLED REPORTS



TEAM TRAINING

Carisma Solutions confidential. Please do not distribute.

RESULT

Improved Accuracy

To ensure complete alignment between ATO prefilled and lodged BAS amounts, carefully review all amounts including GST payable, GST credit, PAYG and any other taxes being reported.



Rebuilt Client Trust

Acknowledgment of our prompt resolution and process enhancement. Keep the clients updated with all the regular information's in process.



Increased Efficiency

Reduced manual corrections and faster BAS preparation, identify the bottlenecks occurred and identify ways to eliminate or to minimise bottlenecks.

Carisma Solutions confidential. Please do not distribute.

CONCLUSION



LESSONS LEARNED

- Clarity in regulatory criteria is crucial for accurate reporting.
- Leveraging ATO prefilled reports ensures accuracy and compliance.

NEXT STEPS

Ongoing training for junior accountants

- Provide Hands on Training and assign practical task and gain real experience.
- Pair junior accountants with more experienced team members who can provide guidance, feedback, and insights.

Periodic review of BAS preparation processes

- Conducting regular reviews of the BAS preparation process helps maintain smooth operations, reduces the risk of errors, and improves the overall effectiveness of accounting procedures.

Carisma Solutions confidential. Please do not distribute.