Case Study

Case Study- PAYG Installment Error in BAS Lodgment via Xero XPM



Background:

Our team was responsible for preparing and lodging the Business Activity Statement (BAS) for a client using Xero XPM. As part of the process, we included the PAYG Instalment (PAYGI) figures. However, an oversight occurred during the data entry phase.

Challenges:

While filling out the BAS, instead of applying the total sales value in label T1 (Total Sales), the PAYGI amount was mistakenly entered. This error led to an understated GST liability and resulted in a lower than actual amount payable being presented to the client. The BAS was then sent to the client for review and signature based on this incorrect data.
The client was later confused upon receiving two versions of the BAS—one original and one amended—prompting concerns about the discrepancy.

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Actions Taken:
Once the mistake was identified:
•We promptly prepared a corrected BAS, ensuring the sales value was correctly reflected in T1 and the PAYGI amount was properly handled.
•The amended BAS was sent to the client for signing.
•We proactively reached out to the client, explained the nature of the error in clear terms, and clarified the correct BAS figures.
•We reassured the client that the issue had been addressed, and that the amended BAS was accurate and ready for official filing.

Conclusion:

Though the initial mistake caused some confusion for the client, the swift identification and correction of the issue—along with clear and transparent communication—helped maintain client trust. The BAS was filed accurately, and the client appreciated our prompt response and ownership of the situation.

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Key Takeaways

- **Accuracy in Data Entry**: Extra attention must be given when entering PAYGI and sales data into the BAS to avoid similar issues.
- **Review Process**: Implementing a secondary review process before sending documents to clients can significantly reduce the chance of errors.
- **Client Communication**: Proactive and transparent communication is essential in maintaining trust and professionalism when errors occur.
- **Responsiveness**: Acting quickly and taking accountability goes a long way in upholding client relationships.

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