Case Study

ATO DOCUMENT

Discrepancy Between Outcome Amounts in Notice of Assessment and Filed Tax Return



Background:
The ATO document related to Notice of Assessment has been sent to the client with proper verification with the amount in XPM (Xero Practice Manager) and in ATO portal and if there is any such variances it should be intimated to the respective account manager and to the sent to the client with proper and detailed explanation regarding the variance.

Scenario:
The ATO document related to Notice of Assessment has been unfortunately sent to the client without any proper explanation for the variance in the amount from the ATO portal to that of with the XPM (Xero Practice Manager).

Impact:
Lack of proper explanation in the document may create confusion and dissatisfaction among the clients and may create confusion with the variance in the value with the XPM and the ATO assessment in the ATO portal.

ATO documents are official forms, notices, and communications issued by the **Australian Taxation Office (ATO)** related to tax obligations in Australia. Some of the ATO documents are Notice of Assessment, Activity Statement, Payment and debt notices, Director's penalty notice and Tax returns.

Notice of assessment (NOA) is the statement issued by the **Australian Taxation Office (ATO)** that explains how the tax assessment is calculated. NOA will show the amount of tax owe on the taxable income and the credit that have already paid for the amount of tax during the income year, tax you need to pay or your refund and any excess private health reduction or refund (if applicable).

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TECHNOLOGICAL INTEGRATION

To streamline this process, we use

ATO mate, a **Robotic Process Automation (RPA)** tool integrated with **AI**, which performs

- **Automated Document Review**: Scans ATO documents (e.g., Notices of Assessment, Tax Debts).
- **Effortless Communication**: Automatically generates and sends emails or letters, pulling contact details from Xero.

Xero Practice Manager (XPM), Organize and manage client information, jobs, and tasks in one place.

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- Seamlessly integrate with Xero accounting software for a streamlined workflow and consistent data.

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IMPACT

- The mismatch in sending the Notice of Assessment (NOA) without properly addressing the differences between the figures in Xero Practice Manager (XPM) and the ATO portal significantly impacted the client's trust in our service. When clients receive documents that contain **unexplained discrepancies**, it can lead to confusion about the accuracy and reliability of the information provided.

- Furthermore, failing to include a proper explanation about why the NOA values differ from the XPM figures means that clients are left without the necessary context to understand the variations. This absence of communication can exacerbate confusion, reduce confidence in the outsourcing firm’s capabilities, and damage the professional relationship.

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SOLUTION

Daily Review

All ATO notices, Notice of Assessment, will be reviewed with XPM and ATO mate and ensure there is no mismatch, the documents are to be processed only if there is exact match with the amount in the XPM and in the ATO portal.

Prioritization of Critical Documents

Documents like Notice of Assessment will be given more priority and in case of any variance will be confirmed with the Account Manager, and to be notified with proper explanation before sending them to the client.

Enhanced Client Confidence

By ensuring timely communication and compliance with the ATO, the client's trust is restored, and we reaffirm our position as a reliable partner.

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OUTCOME

The error was rectified with a proper explanation to the client relating the issues and have also ensured to have a proper check over the value with the ATO portance and XPM and to get it approved form the account Manager so as to provide the clients with proper explanation in case of any mismatch in the values.

CONCLUSION

- Clear presentation and explanations empower clients to understand their tax position fully. Ultimately, this commitment strengthens client satisfaction, reduces risk, and upholds the firm's professional integrity.
- Before sending tax documents to clients, it is essential to have proper check with the document values with the ATO assessments with that of the XPM and get it approved from the respective account manger before sending the documents to the end client. Clear communication, such as providing explanations for any variances, helps prevent misunderstandings.

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