

Quality Assurance Reviews & BAS Lodgement

ABN BAS is a Registered BAS Agent that exclusively services members of the Australian Bookkeepers Network (ABN) and their clients. ABN BAS offers a range of services to benefit both BAS Agents and non-BAS Agents. ABN BAS is a separate entity to ABN and has its own web site at www.abnbas.net, however ABN and ABN BAS share the same directors, staff and business premises. Membership of ABN BAS is complimentary and automatic to all Australian Bookkeepers Network (ABN) members.

About This Fact Sheet

The main service offering of ABN BAS relates to Activity Statements and is two fold:

1. We perform Quality Assurance Reviews of Activity Statements for both BAS Agents and non-BAS Agents; and
2. We act as the BAS Agent for clients of ABN members who are not BAS Agents themselves, and attend to the electronic lodgement of their client's Activity Statements with the ATO.

In addition to its main service offering, ABN BAS also provides a range of additional service offerings for BAS Agents and non-BAS Agents. These include:

- ABN BAS Helpline ... email-based helpline support from our qualified accountants and tax agents;
- ABN BAS Email Bulletins ... providing reliable and informative updates on the BAS Agent industry landscape;
- ABN BAS Training Technical training sessions pitched at bookkeepers to improve their skills and knowledge on issues relevant to BAS preparation;
- Other Types of BAS Services ... Review service for other tasks that non-BAS Agents are precluded from doing under the new legislation, such as the preparation of Payment Summaries, and the installation of computer software which entails the assigning of default tax codes to charts of account.

This Fact Sheet will discuss ABN BAS's main service offering in relation to Activity Statements. Further information on ABN BAS's additional service offerings is available at www.abnbas.net.

Quality Assurance Reviews

The starting point for an ABN BAS Quality Assurance Review is the completion by the ABN BAS member of our sophisticated Excel tool, BAS Wizard.

To download BAS Wizard and related materials, log-in to the members Area of the ABN BAS web site, choose BAS Wizard from the menu to the left, and click Download BAS Wizard Files.

The extent of the information that must be supplied to ABN BAS within BAS Wizard, and the extent of our review and checking, will depend on whether a Detailed

Quality Assurance Review or a Limited Quality Assurance Review is taking place.

If ABN BAS will be the BAS Agent that will be lodging the BAS with the ATO, a Detailed Quality Assurance Review is required.

If ABN BAS will not be the BAS Agent that will be lodging the BAS with the ATO, then you may choose whether you would like a Detailed Quality Assurance Review or a Limited Quality Assurance Review.

We will now examine each type of Quality Assurance Review in turn.

Type 1 - Detailed Quality Assurance Review

Applicable to:

If ABN BAS is to be the BAS Agent, then it is mandatory that ABN BAS lodge the BAS with the ATO using its BAS Agents Portal. A Detailed Quality Assurance Review is required in this situation.

If your bookkeeping firm is a BAS Agent, and either your firm or the client will lodge the BAS with the ATO, then you may wish to have ABN BAS perform a Quality Assurance Review for you.

Similarly, if another BAS Agent or Tax Agent will lodge the BAS with the ATO, then you may wish to have ABN BAS perform a Quality Assurance Review for you.

A Detailed Quality Assurance Review is popular among members who are BAS Agents in their own right, but who nevertheless wish to have their work, or the work of their staff or contractors comprehensively reviewed, either continuously or intermittently.

Entails:

- We perform a range of reconciliations, proofs and integrity checks based on the information you have entered into BAS Wizard.
- We verify many of these figures by referring to reports and source documents that we ask you to insert into Attachment sheets contained within BAS Wizard.
- We also check the postings for certain "Reviewable Transactions" against source documents which we ask you to attach. Reviewable transactions include the purchase or sale of a business, purchase or sale

of real property, purchase of a capital asset under a finance instrument, purchase of a luxury motor vehicle, or sales of capital assets over \$5,000.

- Upon completion, we email you an ABN BAS Declaration to confirm we have conducted a Detailed Quality Assurance Review on this Activity Statement.
- If ABN BAS **will be** the BAS Agent that will lodge this Activity Statement with the ATO, we will also email you a copy of the BAS that was electronically lodged.

Scope:

A Detailed Quality Assurance Review is not available for any clients operating in “Complex Industries” as the degree of supervision and control would need to be too great for our service to remain price-competitive. We consider “Complex Industries” to be where:

- ✓ The client offers insurance either as an insurer or underwriter
- ✓ The client is a second hand goods dealer
- ✓ The client makes financial supplies which are partly or wholly input taxed
- ✓ The client operates in the property industry and makes supplies of real property
- ✓ The client's business operations involve the regular importation of goods from overseas
- ✓ The client operates a retirement home or similar aged-care accommodation
- ✓ The client accounts for GST using the Business Norms method, Stock Purchase method, Snapshot method or Sales Percentage method
- ✓ The client is a self-managed superannuation fund
- ✓ The client is not-for-profit
- ✓ The client is involved in a GST group, GST branch or GST joint venture
- ✓ The client collects Wine Equalisation Tax (WET)
- ✓ The client collects Luxury Car Tax (LCT)

If you are not a BAS Agent and you had intended on ABN BAS being the BAS Agent for a client operating in a complex industry, you will need to discuss with the client alternatives for having their BAS prepared. This might include another BAS Agent or more likely their Tax Agent. You might also like to consider utilising ABN Tax as the client's Tax Agent, in which case they can provide the BAS Services that your client requires. For further details, visit www.abntax.net.

If you are a BAS Agent, and your client operates in a complex industry, ABN BAS cannot perform a Detailed Quality Assurance Review but can still perform a Limited Quality Assurance Review.

Type 2 – Limited Quality Assurance Review

Applicable to:

If your bookkeeping firm is a BAS Agent, and either your firm or the client will lodge the BAS with the ATO, then you may wish to have ABN BAS perform a Limited Quality Assurance Review for you.

Similarly, if another BAS Agent other than ABN BAS, or a Tax Agent, will lodge the BAS with the ATO, then you

may wish to have ABN BAS perform a Limited Quality Assurance Review for you.

However, if ABN BAS is to be the BAS Agent, then it is mandatory that ABN BAS lodge the BAS with the ATO using its BAS Agents Portal. A Detailed Quality Assurance Review is required in this situation. You cannot have ABN BAS perform only a Limited Quality Assurance Review and then instruct the client to lodge their own BAS with the ATO.

Entails:

- We perform a range of reconciliations, proofs and integrity checks based on the information you have entered into BAS Wizard.
- Upon completion, we email you an ABN BAS Declaration to confirm we have conducted a Limited Quality Assurance Review on this Activity Statement.

Scope:

A Limited Quality Assurance Review is available to clients in all industries.

Choosing the Type of Service that You Require

Within Sheet 1 of BAS Wizard, you have the opportunity to specify:

1. Who will be the party responsible for lodgement of the client's BAS with the ATO;
2. Whether the client operates in a complex industry; and
3. In instances where ABN BAS is not the client's BAS Agent and the client does not operate in a Complex Industry, whether you would prefer a Detailed or Limited Quality Assurance Review.

Prices

All prices below are in GST-inclusive terms.

Type 1 - Detailed Quality Assurance Review

The price of a Detailed Quality Assurance Review will be calculated as follows.

Base Fee

The base fee is \$55 for Business Activity Statements and \$27.50 for Instalment Activity Statements.

Electronic Lodgement with the ATO

If ABN BAS will be electronically lodging the client's BAS with the ATO, an additional fee of \$22 applies which reflects our attendances in maintaining the client on our BAS Agent Portal and entering the Activity Statement itself into that Portal.

Reviewable Transactions

Additional fees apply if there are any “Reviewable Transactions” in existence, reflecting the checking and verification that ABN BAS must attend to. Each instance of a Reviewable Transaction will attract the following fees:

Purchase or sale of a business	\$66
Purchase or sale of real property	\$66
Purchase of a capital asset under a finance instrument	\$33
Purchase of luxury motor vehicles costing over \$57,180	\$33
Sale or trade-in of capital assets over \$5,000	\$11

Prior Period Corrections

If prior period corrections are being taken account of in a BAS, an additional charge of \$16.50 applies, again reflecting the additional checking and verification that ABN BAS must attend to. The signpost for ABN BAS to check for these, and indeed the trigger of the additional \$16.50 fee, comes from Step 3 of Sheet 13 of BAS Wizard when you tick the check box corresponding to Attachment 13. You should not tick this check box if prior period corrections are not a factor in the BAS.

Type 2 - Limited Quality Assurance Review

The base fee for a Limited Quality Assurance Review is \$36.30 for Business Activity Statements and \$18.15 for Instalment Activity Statements.

Nil Activity Statements

If an Activity Statement is nil (i.e. there is nothing to report), the Base Fee of a Detailed Quality Assurance Review is reduced to the same fee that applies to a Limited Quality Assurance Review (i.e. \$36.30 for Business Activity Statements and \$18.15 for Instalment Activity Statements). In instances where ABN BAS will be electronically lodging the client’s BAS with the ATO, the Electronic Lodgement Fee of \$22 applies nonetheless.

For further information, including instruction on what is required to trigger the reduction in price, refer to the ABN BAS Fact Sheet entitled [Nil Activity Statements](#).

Payment

Before you submit the BAS Wizard file to ABN BAS, you will be aware of the precise cost of our service as BAS Wizard will have calculated that for you. Once ABN BAS has completed its service, a Tax Invoice will be emailed to you. The Tax Invoice will be specific to this Activity Statement, thus enabling you to provide a copy to your client if required.

However, you should not pay ABN BAS upon receipt of the Tax Invoice which is specific to this Activity Statement. This is because we will email you a Tax Invoice on the 7th day of next month which will take account of all ABN BAS Services for the previous calendar month. It is the total of this all-encompassing

Tax Invoice that will be direct debited from your nominated bank or credit card account on the 21st day of next month. You will have a two week period to seek any explanations you may have on any of the items on our Tax Invoice before payment is direct debited.

On-Charging

Providing a quality BAS Service to your clients is something that should be properly valued, both by you and the client.

The ABN BAS model provides an affordable service for ABN BAS members who are not BAS Agents in their own rights. Nevertheless, the cost of ABN BAS’s service should be on-charged to your client together with your own fee for assisting ABN with the process. BAS Agents should equally value the BAS Services they render to their clients and charge appropriately for this service. ABN BAS has a dedicated Fact Sheet entitled *Making Sure that Your Clients Value BAS Services* which explores this issue in greater depth.

Complementary, Secure Back-Ups by ABN BAS

As a value-added service, all BAS Wizard files submitted to ABN BAS – whether they be for Limited or Detailed Quality Assurance Reviews – will be stored on our secure server for five years, free-of-charge. This provides you with the peace of mind of knowing that there will be a reliable and secure snapshot of the reports, reconciliations and figures that underpin your client’s Activity Statements.

This is a very useful service as you may be called on to defend the BAS you have been involved in some years after the event either with the Tax Office, your client or the client’s accountant. This secure off-site storage guards against your BAS being called into question by retrospective changes made to a clients accounting file. It also guards against loss of your own workpapers and provides an independently stored set of workpapers and trail for BAS preparation that cannot be tampered with.

You may request copies of any such back-ups simply by contacting ABN BAS.

Turnaround Times for ABN BAS Quality Assurance Reviews

ABN BAS prides itself on a swift turnaround time with Quality Assurance Reviews and BAS Lodgement. Better than most, we understand the immense time pressures that our members often work under. We observe guidelines which we refer to as our “maximum turnaround times”.

For more information, please refer to the ABN BAS Fact Sheet entitled [Turnaround Times for ABN BAS Quality Assurance Reviews](#).

Version Date: 17 June 2010