External Auditor interview questions

careertips.com.au: common questions and what they're really testing

What to expect

Audit interviews test three things at once: whether you understand the mechanics of an audit file, whether you can hold your judgement steady when something doesn't add up, and whether you can deal with a client who doesn't want to hand over the document you need. Firms tend to move candidates through the process quickly, but the technical bar doesn't drop.

- **Process:** Walking through how an audit engagement is planned, executed and closed out, including where controls testing and substantive testing sit in the sequence.
- **Technical:** Direct knowledge questions on Australian Auditing Standards, audit opinions and financial reporting requirements.
- **Behavioural:** Past-experience questions about finding errors, managing deadline pressure or handling a difficult client interaction, usually answered with STAR.
- **Scenario:** Judgement questions that put you inside a live audit problem, for example a suspected control override close to deadline, to see how you'd escalate and what you'd document.
- **Client-facing:** Questions about extracting information from client finance staff who are busy, defensive or simply slow to respond.

Most firms run a screening call first (motivation, availability for busy season, study support needs), then a panel or partner interview covering technical and behavioural questions, sometimes alongside a short written or numerical exercise. Graduate programs may add a group case study; experienced hires are more likely to get a scenario-based technical discussion instead.

1. Walk me through how you would plan and execute an audit engagement from start to finish.

Why they ask

This checks whether you actually understand the audit cycle, not just the terminology, since planning, controls testing and opinion drafting is the day-to-day of the job.

How to structure your answer

Answer as a straight process walk-through: start with engagement planning and risk assessment, move through controls testing, then substantive testing, then review and sign-off, naming where documentation happens at each stage.

Example answer

“I'd start with planning: understanding the client's business and identifying the areas of highest audit risk, since that shapes where testing effort goes. From there I'd test key financial controls, for example over revenue or payroll, to see whether we can rely on them or need to increase substantive testing. I'd then perform substantive procedures on transactions and balances, often using CaseWare to record the work and Excel or data analytics tools to test larger populations than a manual sample would allow. Findings get documented as we go, not left until the end, and any control weaknesses or misstatements get raised with the client finance team early so there are no surprises at review. The engagement wraps up with the team reviewing the file and the partner forming the audit opinion based on the evidence gathered.”

2. What's the difference between an unqualified and a qualified audit opinion, and when would you issue each?

Why they ask

Tests whether you understand the point of the audit, forming and communicating an opinion under ASA, rather than just performing procedures.

How to structure your answer
Give a clear technical definition of each, then a short example of a situation that would trigger the qualified version.

Example answer
"An unqualified, or clean, opinion means the financial statements are true and fair in all material respects. A qualified opinion is issued when there's a material misstatement or a scope limitation that isn't pervasive enough to affect the whole set of statements, for example if a client can't provide supporting documentation for one significant balance and the auditor can't get comfortable through alternative procedures. In that case, the opinion would call out the specific matter rather than reject the statements outright, which is reserved for pervasive issues."

3. Tell me about a time you found a discrepancy or error while testing transactions. What did you do?

Why they ask
Firms want evidence you'll actually flag problems rather than wave them through to hit a deadline.

How to structure your answer
STAR: situation, task, action, result.

Example answer
"During a controls test over the credit approval process, I noticed several sales transactions had been approved above the delegated authority limit. I raised it with the senior on the engagement straight away rather than sitting on it. We expanded the sample to see how widespread it was, documented the exception properly, and the finding was reported to the client's finance manager as a control weakness. It ended up in the management letter and the client changed their approval workflow before the next reporting period."

4. You're testing a balance close to the reporting deadline and you find evidence that a senior client staff member may have overridden a control. What do you do?

Why they ask
This is a judgement-under-pressure scenario: deadlines are real in audit, but so is professional scepticism, and firms want to see you won't let one override the other.

How to structure your answer
Answer by setting out immediate actions, then escalation, then how you'd document the matter, showing you'd hold the line on standards even against time pressure.

Example answer
"I wouldn't let the deadline change how I handle it. I'd document exactly what I found and stop to raise it with the engagement manager or partner immediately, since a possible management override of controls is a fraud risk indicator under the auditing standards and needs senior judgement, not a graduate decision made under time pressure. If it meant asking for more time or extending procedures, I'd say so rather than let it slide to protect the deadline. Getting it wrong is a bigger problem for the firm than delivering the opinion a day late."

5. How would you handle a client finance team member who's reluctant to provide supporting documentation you need for testing?

Why they ask
Auditors depend on client cooperation, and firms want to know you can get what you need without damaging the relationship or giving up too easily.

How to structure your answer

Answer with a short approach: build rapport, explain why the document matters, escalate through the right channel if it's still not forthcoming.

Example answer

“I'd first make sure they understand exactly what I need and why, since sometimes reluctance is really confusion about the request. If they're just busy, I'd offer to work around their schedule for a call or a quick walkthrough instead of a long email chain. If it's still not coming through after a reasonable follow-up, I'd flag it to my senior so it can be raised through the engagement partner with the client contact, rather than letting it sit unresolved close to deadline.”

6. Audit has intense busy periods around reporting deadlines. Tell me about a time you managed competing deadlines under pressure.

Why they ask

Busy season is a defining feature of the job, and firms want proof you can sustain quality when workload spikes rather than just when things are quiet.

How to structure your answer

STAR, with emphasis on how you prioritised rather than just how hard you worked.

Example answer

“During peak season I was working across two client files with overlapping deadlines. I listed out what each file actually needed to close, controls testing on one, review points to clear on the other, and agreed priorities with both seniors rather than guessing. I blocked out testing work for the mornings when I was sharpest and left documentation clean-up for later in the day. Both files closed on time and neither review came back with rework, which told me the prioritising had worked rather than just the hours.”