Tax Auditor interview questions

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What to expect

Tax auditor interviews test both the legislation you can apply and how you handle people who may not welcome the conversation. Expect a mix of technical questions, scenario work and behavioural questions about accuracy and judgement.

- **Technical and legislative knowledge:** Questions on income tax, GST, PAYG and how you apply specific provisions to a set of facts.
- **Scenario and judgement:** A set of records with an issue, asking you to decide what to do next and why.
- **Behavioural:** Past examples of accuracy, handling disagreement and managing a caseload under pressure.
- **Taxpayer-facing communication:** How you explain adjustments and penalties to taxpayers and their agents, including difficult conversations.
- **Process and methodology:** How you scope, document and conclude an audit, and how you work with review and objection processes.
- **Integrity and ethics:** How you handle pressure, confidentiality and findings that may be challenged.

A typical process starts with a short phone screen covering your tax and audit background and your eligibility for any registration. The main interview is usually a panel with a technical lead and a manager, often combining a case study or written exercise with behavioural questions. Some employers add a second interview with a more senior manager, and public sector processes may include a work sample and referee checks. Expect to talk through a real audit you have run from scoping to conclusion.

1. A small business has claimed input tax credits on purchases that appear to be for private use. Walk me through how you would assess the claim.

Why they ask

This tests your grasp of GST law and whether you can apply a creditable purpose test to real records rather than recite the Act.

How to structure your answer

Define the legal test, apply it to the facts, then state the adjustment and the next step.

> **Example answer**
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> *"I would start with the test for a creditable purpose, which turns on whether the acquisition was made in carrying on the enterprise. I would look at the records: the tax invoice, the description of the purchase, the business activity and any apportionment the taxpayer has applied. If a vehicle or a mixed-use item is involved, I would ask for a logbook or a usage basis and check whether the claimed percentage is supported. If the private component is not supported, I would adjust the credit, consider whether a penalty applies and give the taxpayer a chance to explain before I finalise the position. I would document the reasoning in the workpapers so it can be reviewed."*

2. You are midway through an audit and the taxpayer's agent provides new records that change the picture. What do you do?

Why they ask

Interviews probe how you respond to new evidence without losing the thread of the audit or the relationship with the taxpayer.

How to structure your answer

Assess the new material for relevance and reliability, decide whether the scope or findings change, communicate the effect to the taxpayer, and record the change in the file.

Example answer

"I had a case where the taxpayer's agent sent through a batch of bank statements after the initial interview. I checked whether the new material was relevant to the periods under review and whether it changed any of the figures I had already tested. Some of it supported the taxpayer's position on deductions, so I adjusted my working papers and let the agent know which points were now resolved. Other transactions were still unexplained, so I set a new deadline for those and confirmed it in writing. I kept the audit file updated so the reviewer could see exactly what changed and why."

3. Tell me about a time you found a significant error in a set of records. How did you handle it?

Why they ask

This looks for evidence that you test before you conclude and that you can explain an error without turning it into a confrontation.

How to structure your answer

Use STAR: the situation, the task you had, the action you took and the result.

Example answer

"In a previous role I was reviewing a company's income tax return and the depreciation schedule did not reconcile to the fixed asset register. I sat with the accountant and we traced the difference to a set of assets that had been disposed of but not written off. I prepared an adjustment, explained the basis in a letter and gave the taxpayer time to respond. They accepted the adjustment, and the file closed without an objection. The main thing I took from it was to check the reconciliation first rather than assume the return was wrong."

4. How would you explain an additional tax and penalty outcome to a taxpayer who becomes upset in an interview?

Why they ask

Tax auditors deal directly with people who may be anxious or angry, and employers want to see that you can hold the finding and the relationship at the same time.

How to structure your answer

Listen first, confirm the facts, explain the basis in plain language, state the review and objection rights, and confirm next steps in writing.

Example answer

"I would let the taxpayer finish, because people often need a moment before they can take in the detail. Then I would confirm what they have told me and explain the basis for the adjustment in plain terms, referring back to the records rather than to the legislation alone. I would set out their options, including their right to seek a review or object, and put the key points in writing afterwards. If the conversation became hostile, I would pause, reschedule if needed and make sure a second officer was present for any further interview."

5. How do you plan and document an audit from start to finish?

Why they ask

This is a process question. The panel is testing whether you work in a repeatable way that survives internal review and an objection.

How to structure your answer

Walk through the audit in order: scope, risk assessment, evidence and interviews, findings, report, review and objection rights.

Example answer

“I start by confirming the scope and the periods under review, then I look at the risk indicators in the return and the supporting records. I plan the evidence I need, who I need to speak to and the order I will work in. During the audit I keep a running record of what I have tested, what I have found and what is still open. Before I finalise, I check the findings against the legislation and the facts, write the report and correspondence, and send it through the review process. I also make sure the taxpayer knows their review and objection rights.”

6. How do you keep your work independent when a taxpayer or their agent pushes back on your findings?

Why they ask

Integrity questions come up because the role carries public revenue and fair treatment obligations, and both can be tested under pressure.

How to structure your answer

Show how you hold a position: acknowledge the concern, restate the legal test and evidence, escalate for oversight, and document the outcome.

Example answer

“I would listen to the concern and make sure I understood which finding the agent was pushing back on. Then I would go back to the test in the legislation and the evidence in the file, and explain why the position stands or, if the new argument has merit, adjust it. I would not change a finding just because of pressure. If the agent wanted to take it further, I would explain the review and objection process. I would also let my manager know so the decision was made with the right oversight and recorded in the file.”