
Tax Audit Course: Risk Profiling, Records Review, Evidence, Settlement

6 – 10 June 2027
Manama





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Programme Summary

Tax audit practice is the subject of this one-week training course for heads of tax, finance directors and audit managers, ending in a tax audit file for one live or past case. Audits go wrong when case selection is weak, records are tested without a plan, or evidence cannot carry a settlement position. The programme moves from risk profiling through records review and evidence handling to settlement and escalation, using examples from retail, manufacturing and financial services. Mars Training Centre UK delivers this tax audit programme to mixed-organisation cohorts.

The Business Case

A tax audit consumes senior time, and weak files lead to adjustments that are hard to defend or errors that go unnoticed. A shared method gives leaders a basis to choose which cases deserve effort, judge what the records show and decide when a matter moves from routine review to tax investigation. The capability influences the following indicators.

- Audit Yield: Improves as cases are selected by scored risk rather than habit.
- Dispute Exposure: Falls as findings are tied to logged evidence before positions are taken.
- Cycle Time: Shortens as scope, records requests and timetables are fixed at the outset.

Principles and Evidence Base

- OECD Guidance on Tax Crime Investigation: Frames the line between civil audit and criminal enquiry, applied in Sessions 4 and 5.
- OECD Work on VAT/GST Fraud: Informs the fraud scheme patterns tested in Session 3.
- Risk-Based Case Selection Principles: Rank cases by likelihood and impact of non-compliance, applied in Session 1.
- Audit Evidence Principles: Require sufficient and reliable support for every finding, applied in Sessions 2 and 4.

Intended Participants

- Heads of tax who must defend the company return position during a tax audit.
- Finance directors who sign off adjustments, provisions and settlement offers.
- Audit managers who plan and supervise reviews of tax records and controls.
- Senior reviewers who decide whether a finding calls for a tax investigation referral.

Typical functions include corporate tax departments, internal audit teams, revenue authorities and professional advisory firms.



Learning Outcomes

1. Participants will be able to construct a risk profile and scoring matrix that ranks tax audit cases for selection.
2. Participants will be able to evaluate ledgers, returns and supporting records for completeness and misstatement.
3. Participants will be able to diagnose VAT and cash-economy red flags using reconciliations and third-party data.
4. Participants will be able to prioritise evidence by reliability and record it so that it can be relied on later.
5. Participants will be able to justify the point at which a tax audit becomes a tax investigation.
6. Participants will be able to compare settlement options against the strength of the evidence held.

Programme Structure

Day 1: Tax Audit Foundations and Risk Profiling

How are tax audit cases chosen, ranked and scoped?

- Case Selection Criteria
- Taxpayer Risk Profile
- Risk Indicator Scoring Matrix
- Audit Scope Statement
- Audit Timetable and Plan

Day 2: Records Review and Ledger Testing

How are books and records tested against what was reported?

- Return-to-Ledger Reconciliation
- Revenue Completeness Test
- Expense Deductibility Review
- Related-Party Transaction Check
- Records Request Schedule

Day 3: Indirect Tax and Cash Economy Testing

Where do VAT errors and unreported cash income show up?

- VAT Input and Output Reconciliation
- VAT/GST Fraud Scheme Patterns
- Cash Economy Indicators
- Net Worth Comparison
- Third-Party Data Matching



Day 4: Evidence, Interviews and Case Escalation

How is evidence held, and when does an audit move to investigation?

- Audit Evidence Log
- Chain of Custody Record
- Interview Planning Sheet
- Civil-to-Criminal Referral Test
- Findings Memorandum

Day 5: Settlement and the Tax Audit File

Do the records and evidence support one settlement position?

- Applying the Session 1 Audit Scope Statement
- Testing the Session 2 Return-to-Ledger Reconciliation
- Reviewing the Session 4 Audit Evidence Log
- Settlement Position Paper
- Completing the Tax Audit File

Methodology

The programme uses a structured exercise method built on a shared case of a mid-sized trading group with sales ledgers, VAT returns, cash takings and a disputed expense claim. Participants build each artefact on prepared data in the session, then adapt it to a case from their own organisation.

- Suggested activity: Scoring ten sample cases and defending the ranking to a panel.
- Suggested activity: Reconciling VAT returns to the ledger and listing the exceptions.
- Suggested activity: Planning an interview and deciding whether the facts call for referral.

Capstone Output

Each participant completes a tax audit file for one case. It holds a risk profile, an audit scope statement, a reconciliation with exceptions, an evidence log, a findings memorandum and a settlement position paper. The file is used at work as the working record for an audit, as a briefing for senior management and as a template for later cases.

Frequently Asked Questions

Is tax audit training suitable for leaders who have not led an audit before?

Yes. Tax audit training assumes a working knowledge of tax returns and accounting records but no prior audit leadership, and builds each method step by step through cases.



Which principles does tax audit training rest on?

Tax audit training rests on OECD guidance on tax crime investigation, OECD work on VAT/GST fraud, risk-based case selection and audit evidence principles, with no single standard governing the whole subject.

How is the file from tax audit training used at work?

You use the tax audit file as the working record for a live audit, as a briefing for senior management and as a template for later cases.

How does tax audit differ from forensic audit training?

Tax audit centres on testing returns and records and agreeing a settlement, while forensic audit training centres on fraud schemes, interviews and case reports across any area of the business.