

## COMPETENCY MODEL FOR TAX AUDITOR (1514)

The following competencies have been identified as those that best separate superior from satisfactory job performance in the class of **TAX AUDITOR**. (Numbers refers to the order of the competencies in the Competency Bank.)

1. Reading Comprehension
3. Judgment and Decision-Making
6. Attention to Detail
20. Job Knowledge
29. Fact-Finding
34. Customer Service
45. Oral Communication
47. Written Communication

On the following pages are descriptions of each competency, including a definition, the level of the competency required for the class (*italicized, bolded, and underlined*), examples of behavioral indicators, and satisfactory and superior performance levels.

**1. READING COMPREHENSION** – Comprehends and correctly applies information presented in written form. Makes correct inferences; draws accurate conclusions.

Level of Competency Required by Job:

Level 1: Concrete, specific job-related information (work orders; instructions; material/equipment labels)

Level 2: General information related to field of work and assignments; (articles in trade publications; technical/instructional manuals; memos; letters; e-mails; reports)

**Level 3: *Abstract/complex information (highly technical articles/reports in specialized area; legal or other regulatory material)***

Examples of Behavioral Indicators:

- Follows written instructions correctly.
- Learns information presented in writing.
- Identifies relevant written information.
- Interprets written legal regulatory material accurately.

Performance Levels:

Satisfactory

Reads instructions correctly. Learns from manual and other printed material.

Superior

Learns from manual and may answer others' questions. Explains information presented in written form to others.

**3. JUDGMENT AND DECISION MAKING** – Accurately assesses situations, seeks new information if necessary, and applies all available information to reach sound conclusions/formulate effective response.

Level of Competency Required by Job:

Level 1: Training and guidelines needed to respond to immediate situations within very specific function are provided (or supervisor available to assist).

**Level 2: General information and guidance to assist in responding to a variety of situations across a range of circumstances are provided.**

Level 3: Little guidance available for responding to a wide range of complex situations with far-reaching and/or enduring consequences.

Examples of Behavioral Indicators:

- Effectively responds to atypical situations.
- Asks questions or otherwise obtains additional relevant information to make a decision.
- Formulates a decision and necessary actions based on available facts.
- Correctly infers appropriate response based on information provided and existing policies, personal experience, and/or consultation with others.
- Discusses conclusions/possible responses with others before taking action as necessary.
- Considers impact of decisions on all affected parties.

Performance Levels:

Satisfactory

Correctly assesses routine and unusual situations and reaches appropriate conclusions for actions needed. Obtains additional information and/or consults with others as necessary.

Superior

Evaluates new situations accurately to establish an appropriate response or plan of action. Recognizes the impact on all affected parties, as well as the possible ramifications and/or repercussions of setting a precedent.

**6. ATTENTION TO DETAIL** – Extremely careful in addressing all aspects of each work assignment in order to produce “completed staff work” and/or avoid any negative outcomes.

Level of Competency Required by Job:

- Level 1: Ensure all aspects of work assignment are completed as directed.
- Level 2: **Verify that each aspect of work assignment is properly completed; make logical inference regarding additional activities that may need to be performed to produce “completed staff work.”**
- Level 3: Include evaluation of final work/work product in its accomplishment; make adjustments as possible to improve.

Examples of Behavioral Indicators:

- Carefully checks all aspects of work for completion and accuracy before submitting.
- Identifies errors (for example, typo’s, computations, measurements, application of laws/rules/policies) and corrects them prior to submitting.
- Cross-checks work against available resources.
- Sets up a means of checks and balances to ensure work accuracy.
- Considers changes in final work product to ensure usability by recipient.
- Completes all revisions upon request.

Performance Levels:

Satisfactory

Ensures that each task accomplished represents “completed staff work.” No remaining details/ inconsistencies for others to address.

Superior

All aspects of each task completed are verified to be correct. Identifies any foreseeable consequences of work that may need to be addressed and does so.

**20. JOB KNOWLEDGE** – Knows information required to perform a specific job. Includes both widely available courses of study (for example, chemistry, human resources management, graphic arts) and City-specific information (parking regulation and ticketing practices; purchasing procedures; provisions of the City Charter).

Level of Competency Required by Job:

- Level 1: Knowledge is concrete, factual, and/or procedural and may be defined by the organization. Situations in which it is applied are quite consistent.
- Level 2: Knowledge is substantive and may be defined by an external trade, field, or profession. Situations in which it is applied vary and, as such, require breadth and depth of understanding.
- Level 3: **Knowledge is abstract, conceptual, and/or complex and may be supported by a well-defined academic discipline or authoritative sources (e.g., laws, ordinances, government guidelines/regulations/ codes). Situations in which it is applied may vary greatly or be novel.**

Examples of Behavioral Indicators:

- Performs work correctly/avoids technical (job content related) errors.
- Answers technical questions about work accurately.
- Asks few technical questions about the performance of routine work activities.
- Offers advice (“coaching”) to new employees regarding their work.
- Develops training programs for other employees.
- Sought out as a source of information by others.

Performance Levels:

Satisfactory

Sufficient job knowledge to perform work correctly independently. Answers technical questions about work correctly.

Superior

Expertise in technical job information sufficient to serve as a resource to others. May develop training manuals/ programs and/or give internal and/or external presentations related to work.

## **Job Knowledge Areas**

1. Knowledge of the elements of business operation as it relates to both large and small businesses, such as how employees are staffed, the type of industry, and how revenue is generated, sufficient to ensure that businesses are classified appropriately.
2. Knowledge of common business terminology as it relates to audits, such as sole proprietorships, corporations, partnerships, limited liability company (LLC) sufficient to communicate with taxpayers and interpret terms properly when performing an audit.
3. Knowledge of source documents, such as the general ledger (GL), primary and secondary sources, shipping documents, income statements, federal tax returns, and balance sheets sufficient to examine, verify, and analyze documents to accurately account for all revenues when performing an audit.
4. Knowledge of secondary, non-standard sources of information pertinent to an audit, such as bank statements, rental agreements, and purchase orders, sufficient to obtain necessary information during an audit.
5. Knowledge of Los Angeles Municipal Code (LAMC) sections relating to City business taxes, such as Section 21.00, Gross Receipts and Section 21.49(c), Professions & Occupations, sufficient to understand how the Code applies to taxes in the auditing process.
6. Knowledge of significant court decisions, such as the Program Enterprise v. City of Los Angeles court case, interpretations of tax provisions by City Attorney opinions relating to the City Charter and Municipal Code, such as the Reimbursement Expense opinions, and decisions of the Board of Review and the Assessment Review Office regarding specific audits, sufficient to ensure compliance with City policies and procedures.
7. Knowledge of various rulings by the Office of Finance relating to City taxes, including Ruling 13, Ruling 15, and Ruling 17, sufficient to understand current tax policies and properly apply tax penalties during an audit.
8. Knowledge of the various taxpayer classifications, such as retail, wholesale, rental, commercial rental, and professions and occupations, in order to appropriately distinguish and classify businesses.
9. Knowledge of the Business Tax Ordinance of the City Charter and when it applies to a business, such as when a taxpayer opens a business, sufficient to ensure the proper classification of the business activities.

10. Knowledge of General Accepted Accounting Principles (GAAP) and General Accepted Auditing Standards (GAAS), sufficient to evaluate financial records of taxpayers and ensure compliance with tax requirements.
11. Knowledge of basic accounting terminology, such as general ledger (GL), trial balance, and income statement, sufficient to understand the fundamentals of accounting.
12. Knowledge of the professional and legal responsibilities and limitations of an auditor as provided in Los Angeles Municipal Code (LAMC) Section 21.17 with regards to confidentiality, sufficient to work professionally and in compliance with legal standards.
13. Knowledge of the differences between cash and accrual accounting basis sufficient to ensure tax liability is properly calculated and reported in the appropriate period and in compliance with tax requirements.
14. Knowledge of accounting calculations used to convert fiscal year to calendar year and from cash to accrual basis, sufficient to perform calculations properly.
15. Knowledge of basic arithmetic including addition, subtraction, multiplication, and division in order to compute percentages and perform accounting calculations.
16. Knowledge of the common reasons for discrepancies between self-assessed taxes and audit findings, such as taxpayers reporting taxes incorrectly or different interpretations of rulings, sufficient to identify overstatements and understatements in taxpayer reporting.
17. Knowledge of tax reporting requirements of the City of Los Angeles and how they differ from Federal and State requirements, including the state sales tax return and federal tax return, sufficient to know what is reported to other taxing jurisdictions and how it relates to City requirements.
18. Knowledge of regulations and conditions related to assessing penalties and interest for taxpayers, such as original and continued delinquency penalties outlined in Section 21.05 of the Los Angeles Municipal Code (LAMC), sufficient to correctly assess penalties and interest and explain how assessments were made to taxpayers.

**29. FACT FINDING** – Obtains required information through questioning, review of existing materials, or securing new materials to answer a question or address a problem.

Level of Competency Required by Job:

- Level 1: Look up information available in the workplace (including use of the internet) or by asking questions of co-workers or supervisor.
- Level 2: **Interview individuals and/or obtain necessary information from files, the library, and/or the internet.**
- Level 3: Conduct in-depth interviews/interrogations or depositions. Locate obscure reference material containing germane information by correctly identifying needed information, making logical inferences regarding where it might be available, and discerning from newly acquired information relevant additional materials.

Examples of Behavioral Indicators:

- Asks a series of insightful questions in a logical order.
- Correctly identifies persons most likely to have the needed information.
- Listens carefully to responses from others to discern all relevant information stated.
- Makes logical assumptions about where certain types of information might be found; or asks others who are likely to know.
- Persists in locating relevant information until a sufficient amount is available to permit answering question or addressing the problem fully.

Performance Levels:

Satisfactory

Obtains necessary information through scrutiny of existing files and other resources, correctly identifying and obtaining other sources of information, and/or asking questions.

Superior

Exhibits great insight in identifying who would have certain information, or in what materials it might be located. Carefully crafts questions to extract needed information. Persists until sufficient information is gathered to formulate a logical conclusion.

**34. CUSTOMER SERVICE** – Interacts with recipients of services (internal or external customers) in a way that provides accurate, timely, and effective information and service.

Level of Competency Required by Job:

- Level 1: Interact with customers in person, over the telephone, or through e-mail (and/or other electronic media) in order to provide information or assistance. Listen to customer concerns; explain/reconcile information and provide alternatives if possible; facilitate resolution by making referral and/or following-up as necessary.
- Level 2: **Promotes positive customer service. Serves as a model of providing exemplary customer service.**
- Level 3: Develop customer-oriented procedures; identifies changes in procedures to enhance customer service and ensures they are implemented.

Examples of Behavioral Indicators:

- Carefully listens to (or reads) customer statement of the issue.
- Provides direct, informative, accurate responses to customer.
- Suggests options if available.
- Maintains a positive attitude in the face of customer complaint or frustration.
- Remains focused on the issue presented by the customer and directs the customer back to the issue if necessary.
- Asks the customer if their concerns have been fully addressed.
- Ensures organizational policies and practices are customer-focused.
- Ensures all employees recognize their responsibility for customer service and are properly trained for it.

Performance Levels:

Satisfactory

Displays knowledge as well as courtesy and patience when interacting with customers. Ensures customers' issue is correctly identified and remains focused on it until it is resolved.

Superior

Seeks further information or advice to resolve difficult issues. Solicits feedback on the effectiveness of service. Makes suggestions for improving service and facilitates changes needed to implement.

**45. ORAL COMMUNICATION** – Communicates orally in a clear, concise, and effective manner.

Level of Competency Required by Job:

- Level 1: Exchange specific, job-related information orally with others in the immediate work environment or via telephone and/or radio.
- Level 2: Obtain/provide/present general and/or job-specific information orally to a variety of others in various situations.
- Level 3: **Obtain/provide/present a diverse array of information orally at varying levels of complexity to a wide range of others across many different situations and circumstances.**

Examples of Behavioral Indicators:

- Audience clearly understands the intended message.
- Rarely must repeat information in response to questions.
- Refrains from use of unnecessary words, phrases, or jargon.
- Provides a level of detail appropriate to the situation (avoids too much or too little detail).
- Speaks at a level appropriate to the audience in terms of terminology, sentence structure, and simplicity/complexity of ideas expressed.
- Uses words with precision (vocabulary) to convey exact information.

Performance Levels:

Satisfactory

Speaks clearly and audibly, providing the appropriate information and level of detail. Typically conveys the message on the first attempt. Answers questions accurately and directly.

Superior

Speech is direct and to the point. Speaks convincingly and with authority when appropriate. Maintains sensitivity to the audience while providing thorough information with the appropriate level of detail through the use of precise language.

## 47. WRITTEN COMMUNICATION – Communicates effectively in writing.

### Level of Competency Required by Job:

- Level 1: Write notes/e-mails. Completes forms with some open-ended responses (sentences).
- Level 2: **Write letters, articles/reports, and/or detailed descriptions of activities/occurrences.**
- Level 3: Write lengthy reports, instruction manuals, in-depth analyses/reviews of complex issues and/or articles for publication. Reviews the written work of others.

### Examples of Behavioral Indicators:

- Writing includes the necessary information to convey the intended message.
- Sufficiently few errors in spelling, punctuation, grammar to not interfere with the intended message or distract the reader.
- Little editing or re-writing needed to produce a final product.
- Composes materials efficiently.
- Information is presented in a well organized manner.
- Tone and degree of formality are appropriate to the purpose and audience.

### Performance Levels:

#### Satisfactory

Writes material that clearly communicates the necessary information; needs little editing.

#### Superior

Precisely uses words and organizes information in a way that enhances presentation of the message. Virtually no editing needed.