




# RECEIPT AUDITING

*Enhancing compliance that uncovers fraud  
and maximises VAT reclaim*





**“1 in 5 employees think it is okay to exaggerate expense claims”**

## The challenge

An essential part of the finance function is managing the expense process and minimising costs. However, this can slip between the cracks in a busy finance department and research has shown that costs tend to escalate when checks and controls are not in place.

Whilst your EMS systems allows your employees to file expenses quickly and efficiently, it brings a new challenge as employees are becoming increasingly sophisticated at cheating the system and can exaggerate claims when there is no receipt auditing process in place.

## A study by one of the biggest expense companies in the world found:

*As much as 10% of the overall T&E bill is lost to errors and a further 10% can be exaggerated claims, making it costly for your business.*

- These numbers increase amongst younger staff.
- Between 14% - 20% of expenses paid by a company are typically beyond the terms of its T&E policy.
- Despite these findings, only 1% of expense claims were found to be rejected.

## Examples

- 2 sales people claiming for the same expense.
- Same transaction claimed multiple times.
- Misplacement of decimal point, Eg: Expense = €10.00, Expense Selected = €100.00.
- Incorrect currency symbol used, Eg: Expense = \$50, Expense Selected = €50.

## Advantages to checking expense reports

- Eliminated the need for internal expense auditing.
- Saves both time and effort for both finance and line managers optimising resources.
- Improves visibility & strengthens adherence to company travel policy.
- Identifies errors in receipt entry that can be corrected before VAT employee reimbursement.
- Delivers increases in VAT compliance.
- Effective and efficient response to tax audit requests.

Having the proper controls to detect errors/fraudulent claims such as a 3rd party impartial receipt auditing service is a valuable deterrent to these practices.



# EXAMPLES OF EMPLOYEE FRAUD ON EXPENSE RECEIPTS



Incorrect amounts  
submitted



Missing receipts



Incorrect currency



Claiming personal  
expenses



Claims for unauthorised  
expense type



Incorrect expense  
type selected



Incorrect/duplicate  
claims



Violation of  
travel policy

## Easy Implementation

Taxback International's software seamlessly plugs into your EMS and its integrated data capture reads the receipts and invoices, and reports on these without any input from you or disruption to your systems.

Our expense auditors then use their expertise to match hard copy receipts with those entered into the expense reporting system and verifies submissions with your company travel policy.

## PROCESS

### STEP 1

**Keep all data within expense management system**

*Auditor logs in to expense management system and performs audit function within the system*

### STEP 2

**No exceptions – all submissions audited by an independent auditor**

*Expense reports are audited and reported on within 24 hours*

### STEP 3

**Accept / reject audit report**

*Any rejected expense reports are returned to employee prior to payment*



## Reporting at your fingertips!

Our comprehensive expense offers clients full visibility through a range of detailed reports:

- Total number of expenses claims per month with a breakdown of valid and invalid claims,
- The cost of invalid claims per month,
- Identifies employees who submit invalid claims,
- Trends across expense types divided between valid and invalid claims,
- Breakdown of invalid claims by reason code,
- Submission of claims within the required number of days.

Reporting and revising company travel and expense policy can bring about significant increases in compliance levels over time, freeing up your employees time and assurance that at all times you are prepared for a tax audit with accurate expenses at your fingertips.

## Why Taxback International

Surprisingly, 1 in 5 (20%) of claims contain serious errors. Detection and deterring this practice is a big cost saving for businesses. Our experienced auditors can review employees' receipts against their expense claims to ensure accuracy, adherence to travel policy and to prevent fraud.

Taxback International is a world leader in VAT reclaim so while we are auditing your receipts for VAT recovery, we can also audit these receipts for accuracy, compliance with travel policy and fraud prevention. Taxback International delivers you a complete solution, driving down costs and saves you time on admin.

## The benefits for your organisation

*We do all the work, so you don't have to.*

- Receipt and scanning of expenses.
- Receipt audit – ensuring the correct amounts. are reimbursed to the employee.
- Policy audit – ensuring your employees are compliant with your company's expense policy.
- VAT Audit - ensuring VAT compliance.
- Domestic VAT reclaim instead of recovery.
- Foreign VAT recovery solutions.
- Hard copy receipt storage and archiving.

## The critical role auditing provides that Expense management systems simply cannot do:

In summary whilst expense management systems (EMS) do bring savings in terms of efficiency on filing expenses, it cannot audit the electronic filings with the corresponding paper receipts for accuracy and adherence to travel policy as it is simply the system for processing the expenses quickly and efficiently.



