Auditing an expense report

iExpenses is used by employees or their delegates to process expense reports for University credit card transactions, cash reimbursements and acquit cash advances. Completed expense reports are to be printed and sent to the employees’ Business Centre (or equivalent) with the original receipts attached.

Expense reports are submitted for approval and once approved by the employees’ supervisor or manager they will be available for auditing. An Auditor from the Business Centre will conduct an audit verifying that the transactions are valid and the expenses are compliant with University policy and procedures. The auditor can either complete the audit or return it for modification.

Audit an expense report

1. Log into Themis, select the UOM Expenses Auditor responsibility. The Audit Expense Report screen displays.

2. Enter the report number from the printed report into the Search by Expense Report Number field and click Go. The Expense Report is retrieved. For our example, we have retrieved report 839508.

3. Review the General Information
   Under the General Information area we can view:
   - Name, the employee who is claiming the expenses
   - Number, the expense report number
   - Report Submit Date, the date the report was submitted by the employee
   - Expense Report Date, the date the report was created
   - Amount, the total amount of the expenses
   - Currency, the transaction currency
   - Purpose, the report purpose entered by the employee
   - Attachments, supporting documentation attached to the report i.e. scanned copies of the receipts.

   Important: scanned copies of the receipts must be attached. Attachments can be added to the entire report or to the individual transaction line. When an attachment is added to the entire report the word ‘None’ changes to ‘View’ and becomes an active link that is used to open the global attachment.

4. Check if the report was submitted by a delegate or by the employee claiming the expenses.
   Under the Additional Information area the person who processed the expense transactions will answer ‘Yes’ or ‘No’ to the question: Are you creating the report as a delegate?
5 Confirm that the printed report and original receipts have been received by entering the date received in the **Original Receipts Package Received Date** field.
Continue with the next steps to verify each individual transaction.

**Review and verify each transaction line item**

1 Scroll down to the middle of the screen to locate the individual transactions.

There are a number of tabs across the middle section of the screen, the first of which is **Verifying Expenses**.

Here we can view the transaction details such as the **Expense Type**, the **Amount** and if we scroll to the right we can view the **Justification** comments entered by the employee to support the transaction.
2 Click the **Review Allocations** tab

The **Review Allocations** screen displays.

Check that the correct charge account has been entered for each transaction.

**Note:** the natural account segment has been automatically populated based on the Expense Type selected.

3 Click the **Review Tax** tab

The **Review Tax** screen displays.

Check that the correct tax setting has been selected against each transaction.

**Important:** you must ensure that each tax setting is compliant in accordance with the University Policy and Procedures.

4 Click the **Approval Notes** tab.

The **Approval Notes** screen displays.

From here you can view any comments entered by the Approver.
5 Click the **Process Exceptions** tab.

The **Process Exceptions** screen displays.

![Process Exceptions Screen](image)

5 In the **Receipt Verified** column, tick each transaction to indicate that the original receipt has been sighted.

If all original receipts are to hand, click the **Mark Receipts as Verified** button to mark them all at once rather than having to tick each one separately.

**Note:** ticking this column is confirmation that the original receipt has been received. It does not indicate that the transaction is compliant with University policy and procedures.

6 In the **Policy Non-Compliance** column, tick only those transactions that are not compliant.

![Policy Non-Compliance Column](image)

7 For transactions marked as **Policy Non-Compliant** you must select an **Audit Issue** reason from the drop down list.

For our example above, we have selected ‘Missing Policy Information’.

**Important:** transactions marked as ‘Policy Non-Compliant’ will be split from the expense report and sent back to the employee for follow up action. The remaining transactions will be marked as Audit Complete.

8 Click the **Auditor Only Notes** tab.

The **Auditor Only Notes** screen displays.

![Auditor Only Notes Screen](image)

9 Enter an appropriate audit comment and click the **Add Note** button.

For this example we have indicated that a majority of items are compliant with the exception of one item.
10 Scroll down to the very bottom of the screen and locate the **Expense Report Action** field. There are a number of action options to select from.

![Expense Report Action](image)

Continue with the step below to complete the report as appropriate.

**Complete the report audit**

1 Perform one of the actions as outlined below.

**Complete Audit**, choose this option if you have check all the transaction and mark only some as non-compliant. In doing so all valid transaction will be marked as audited and only those marked as non-compliant will be returned to the employee for correction.

**Reject Report**, choose this option if there are major problems and you want to reject and return the entire report back to the employee for correction.

**Request More Information**, choose this option if you need to clarify only a few points. By choosing this option the report will remain with you as the auditor, and you will be able to send a request seeking more information from the employee.

**Waive Receipts and Complete Audit**, choose this option if some receipts were flagged as missing and the employee has attached a statutory declaration stating that the expenditure is for business purposes.