

The background of the page features a large, faint watermark of the Seal of the State of Illinois. The seal is circular with a scalloped outer edge. Inside the seal, the words "OFFICE OF THE KANE COUNTY AUDITOR" are written in a circular path. In the center of the seal, the date "JAN. 16, 1836" is visible. The seal also contains the words "ORGANIZED" and "STATE OF ILLINOIS".

OFFICE OF THE KANE COUNTY AUDITOR

Penny Wegman, Kane County Auditor

Personal Expense Voucher Audit For Fiscal Year 2025

March 25th, 2026

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Executive Summary

The Office of the Kane County Auditor conducted a review of Kane County’s Travel Policy as it relates to Personal Expense Vouchers (PEVs) submitted during Fiscal Year 2025. The audit evaluated compliance with County financial policy, documentation requirements, accuracy of submissions, and return trends.

Key Findings

- During Fiscal Year 2025, 17.19% of PEVs that were submitted to the Auditor’s Office were returned to the respective office/department for corrections.
- The most common reason for returned PEVs was incorrect totals entered into the Tyler New World TM system, accounting for 25.21% of all returns.
- In Fiscal Year 2025, the Auditor’s Office returned 349 PEVs, representing 155 more returns than Fiscal Year 2024 – a 79.89% increase.
- PEV submission volume and total dollars spent decreased in comparison to Fiscal Year 2024.

Conclusion

Overall, the audit determined there was a need to develop a new Personal Expense Voucher - Travel form to decrease the return rate due to user error and to be more compliant with IRS guidelines on Fringe Benefits.

As of November 2025, the Personal Expense Voucher form was updated to the Personal Expense Voucher - Travel. The updated form is part of the Auditor’s Office’s continued efforts to streamline expense reporting and improve accuracy in reimbursement processing for travel.

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Objective & Scope

Objective

The purpose of this audit is to document, review and highlight the total number of Personal Expense Vouchers (PEVs), the purpose of the PEVs, the total amount spent during the 2025 fiscal year and review the IRS guidelines/rules surrounding Fringe Benefits.

The Office of the Kane County Auditor will perform the necessary actions to complete the audit in accordance to Illinois State Statute 55 ILCS 5/3-1005(i): “Audit the documentation, records and bases for the amounts billed to the county, as maintained by county vendors, under agreements between the county and its vendors...”

Scope

- Review all Personal Expense Voucher transactions for fiscal year 2025 (December 2024 – November 2025) using Kane County’s New World ERP system.
- Review IRS Tres. Reg 26 CFR § 1.62-2 and (Internal Revenue Code) IRC 274.

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Analysis

Personal Expense Voucher Background

A Personal Expense Voucher (PEV) is a document that is used by a Kane County employee to receive reimbursement for expenses they have incurred during official county business. These reimbursement expenses are divided into five categories: mileage, transportation, lodging, meals and other. The category 'other' includes miscellaneous transportation-related expenses and similar costs.

Employees must provide supporting documentation, such as receipts and mileage logs, to validate their claims. Once completed, the voucher and supporting documents are submitted to the Auditor's Office for review and recommendation for approval to the County Board.

Each PEV must be clear, accurate and free of mathematical or quantity errors. It must include the following elements to ensure efficient payment processing (additional requirements may apply based on contractual provisions or specific needs):

- Compliance with financial policies and proper approvals
- Correct vendor name
- Correct remit address
- Correct invoice number
- Correct invoice date
- Correct total amount due
- Correct paying bank
- Correct G/L date

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Kane County Financial Policies: Travel Policy

The Kane County Financial Policies: Travel Policy, as amended by Res. 25-168 (May 13, 2025), establishes the following guidelines for employee reimbursements:

Section d.i – “Reimbursement of expenses shall include per diem payments, fees, mileage, airfare/train tickets, meals and other county business expenses.”

Section c.i –

“All travel reimbursement claims must be documented on a personal expense voucher:

- a. Purpose of the trip including reason for expenses, dates and places.
- b. Traveler identification including names of people and their business affiliation at meals along with the reason they are being entertained.
- c. Meal tickets when guests are being entertained.
- d. Approval by an employee’s supervisor or other designated party and submitted to the Auditor’s office along with supporting documentation within sixty (60) days of the travel date. Reimbursable expenses that have been incurred in the last quarter of the fiscal year must be submitted for reimbursement prior to the assigned closing date in December.
- e. Overnight and Multiday travel on personal expense voucher must also include the attachment of motel/hotel bills, train/ plane tickets and auto rental bills.
- f. Travel expense policy is administered by and any exceptions must be approved by the auditor.”

Internal Revenue Service Fringe Benefits Regulations

For a tax-exempt organization to be compliant with the Internal Revenue Service’s rules in regards to reimbursing an employee for business expenses, the organization must follow several regulations. The following regulation is important in regards to documenting these travel expenses:

26 CFR § 1.62-2(e) (Substantiation Requirements) – “(1) In general. An arrangement meets the requirements of this paragraph (e) if it requires each business expense to be substantiated to the payor in accordance with paragraph (e)(2) or (e)(3) of this section, whichever is applicable, within a reasonable period of time.”

To comply with IRS regulations governing reimbursements, an employee’s expense must be properly substantiated and supported by appropriate documentation. In Kane County, employees may meet this requirement by submitting a completed Personal Expense Voucher (PEV), together with all required supporting documentation, to the Office of the Kane County Auditor.

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Kane County Code of Ordinances

Per the Kane County Code: Travel Expenses Generally, establishes the following guidelines for an employee's reimbursement:

Kane County Code of Ordinance § 2-72(A)(2)(e) – "Submittal Date: Personal expense vouchers with proper approval by the employee's supervisor or other designated party and supporting receipt documentation must be submitted within ninety (90) days of the initiation of travel. Reimbursable expenses that have been incurred in the last quarter of the fiscal year must be submitted for reimbursement prior to the assigned closing date in December."

Auditor's Office Recommendation

During the audit, the Auditor's Office identified an inconsistency between the Kane County Travel Policy and the Kane County Code of Ordinances.

The Travel Policy requires the submission of a Personal Expense Voucher (PEV) within sixty (60) days of the travel date. In contrast, the Kane County Code of Ordinances § 2-72(A)(2)(e) allows for the submission to be completed within ninety (90) days of travel.

This discrepancy creates ambiguity regarding the deadline and may result in inconsistent enforcement across departments.

The Auditor's Office recommends reviewing and reconciling the Kane County Code of Ordinances and the Travel Policy to eliminate the conflicting submission deadlines. Clarification will improve compliance, reduce confusion, and ensure consistent enforcement of Kane County's reimbursement standards.

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Fiscal Year 2025 PEV Activity

The Auditor’s Office recommended approval for the following number of PEVs and total dollar amount for Fiscal Year 2025:

Department/Elected Office	Number of Department PEVS	Total Dollar Amount of PEVS
250 - Circuit Clerk	438	\$26,690.50
580 - Health	305	\$47,947.11
380.380 - Sheriff.Sheriff	203	\$285,910.57
060 - Information Technologies	174	\$23,469.44
980 - Workforce Development	148	\$16,361.04
430.430 - Court Services.Court Services Administration	116	\$16,911.77
300 - State's Attorney	103	\$27,639.34
190 - County Clerk	88	\$12,387.01
520 - Transportation	74	\$17,070.04
170 - Supervisors of Assessment	60	\$17,142.97
430.438 - Court Services.Diagnostic Center	35	\$11,471.16
690.690 - Development.County Development	30	\$1,189.07
240 - Judiciary and Courts	29	\$5,641.57
425 - Kane Comm	29	\$3,183.15
690.711 - Development.Community Developmt Block Grant	24	\$2,936.67
150 - Treasurer/Collector	23	\$5,645.83
360 - Public Defender	22	\$4,267.52
380.382 - Sheriff.Adult Corrections	22	\$5,396.49
370 - Law Library	18	\$1,116.08
210 - Recorder	18	\$592.47
420 - Merit Commission	15	\$3,754.42
010 - County Board	11	\$9,102.07
040 - Finance	10	\$9,904.22
500 - Animal Control	9	\$1,018.85
660 - Veteran's Commission	9	\$2,203.80
140 - County Auditor	6	\$6,391.73
510 - Emergency Management Services	5	\$1,218.58
490 - Coroner	2	\$450.00
670 - Environmental Management	2	\$70.50
120 - Human Resource Management	1	\$42.73
080 - Building Management	1	\$50.00
Grand Total	2030¹	\$567,176.70

¹ Grand Total amount listed may include 'Returned' PEVs

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During Fiscal Year 2025, the Auditor’s Office returned approximately 17.19% of the 2,030 PEV’s submitted for payment to County Departments for correction.

Below is the summary of the Reasons for PEV Returns:

Reason for Return	Number of PEVs Returned
Incorrect Total	88
Incorrect Invoice Number	71
Incorrect Remit Address	37
Incorrect Invoice Date	33
Other	32
Incorrect Calculations	32
More Support Needed	30
Wrong G/L Date	23
Invoice Not Attached	2
Paying Bank	1
Total	349²

The Auditor’s Office recommended approval for the following number of PEV’s and total dollars in Fiscal Year 2025:

PEV	Total Spent³
Mileage	\$125,729.02
Transportation	\$18,198.15
Lodging	\$31,901.08
Meals	\$71,889.95
Other	\$319,298.80
Total	\$567,176.70

PEV	Quantity³
Mileage	1,307
Transportation	148
Lodging	60
Meals	472
Other	511
Total	2,030

² PEVs missing any required elements are returned to the department for corrections along with an email explaining the reason for the return. PEVs can be returned more than once.

³ The graph represents the breakdown of the total amount across multiple PEVs. Some vouchers are split across multiple entries for clarity.

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FY 2024 and FY 2025 Comparison

When comparing FY 2024 and FY 2025, the Auditor’s Office found that there was a decrease in the number of PEVs and total dollar spent on PEVs.

Fiscal Year	Total Spent
2024	\$651,922.98
2025	\$567,176.70

Fiscal Year	Number of PEVs
2024	2,628
2025	2,498

Comparing the return rate by fiscal year, the Auditor’s Office observed an increase in number of PEVs returned. FY 2024 had an 8.89% return rate, while FY 2025 had a 17.19% return rate; representing an increase of 155 additional returns (79.89% increase).

Number of PEVs	
Fiscal Year	Returned
2024	194
2025	349

Overall Findings: 12-Month Summary (December 2024 – November 2025)

Of the 2,030 PEVs that were submitted and approved by the Auditor’s Office:

- The Auditor’s Office had a return rate of 17.19% during Fiscal Year 2025.
- The most common reason for return was an incorrect total entered in the Tyler New World™ System (25.21%).

Conclusion

After reviewing the return rate ... defined as instances in which the Kane County Auditor’s Office returned submitted PEVs due to input errors or insufficient substantiation ... it was determined that a revised voucher form should be implemented. The updated form is designed to reduce data entry errors and incorporate additional fields that allow employees to provide more detailed expense information, ensuring compliance with IRS regulations. The Auditor’s Office has developed this revised form and renamed it the Personal Expense Voucher - Travel. Employees will continue to use the original PEV form for non-travel expenditures that require minimal substantiation, such as postage and office supplies. The Auditor’s Office will continue to implement improvements to enhance compliance, accuracy and processing efficiency.