

INTERNAL CONTROL EVALUATION
Manual System
For IFTA and IRP

Gaining an understanding of a system of internal controls is accomplished by inquiry and testing and enables the auditor to better plan and determine the type and extent of sampling necessary to meet the audit objectives. Questions answered by "No" require further explanation in the Comments section.

Account Name:

IFTA Account No:

IRP Account No:

Personnel Responsible for: Name

- Preparing IFTA returns
- Preparing IRP applications
- Preparing fuel/mileage summaries
- Verifying trip documentation

General **Yes / No**

- 1) Are adequate source documents and records prepared?
- 2) Are source documents and other records kept for the required period?
- 3) Are there controls to ensure information is accurate?
- 4) Have accounting system procedures, operations and personnel remained consistent throughout the audit period?
- 5) Do personnel have adequate knowledge in record keeping and reporting requirements?

Distance Documentation

- 6) Are IVDR's, trip envelopes, logs, on-board recording devices or other means of trip documentation maintained?
- 7) Do trip records include required data?
- 8) Are all trips documented?
- 9) Are total distances reconciled with odometer readings or verified by maps, mileage software, or other means?
- 10) Are jurisdictional distances reconciled with odometer readings or verified by maps, mileage software, or other means?
- 11) Are periodic summaries prepared of trip records?
- 12) Is there a sufficient audit trail to tie trip records to the summaries?

Fuel Documentation

- 13) Is fuel recorded on IVDR's by OTR purchase and withdrawal?
- 14) Do fuel invoices and withdrawal records include required data?
- 15) Are invoices maintained to support OTR purchases?
- 16) Are tax-paid invoices recognized and filed with consistency?
- 17) Are there adequate controls to insure the accurate recording of bulk fuel receipts, inventories and withdrawals?

IFTA Return / IRP Application Preparation

- 18) Is distance and fuel data compiled from summaries, reconciled to total distance driven and total fuel used?
- 19) Is there consistency with month-end cut-off procedures relating to uncompleted trips or receipt of vendor fuel purchase invoices?
- 20) Are the returns for all jurisdictions prepared from the same summary reports?
- 21) Does the IRP mileage schedule include only the distance traveled by apportioned registered vehicles?
- 22) Has the correct mileage-reporting period been used for the distances shown on the IRP mileage schedule?

Explanatory comments for questions above: *(Identify by question number.)*

Identify supporting source documents and records maintained:

Identify internal control procedures in place:

Describe other factors considered in understanding the internal control system:

Describe the method(s) used in the initial testing of the internal control system:

(Identify specific documents examined and transactions traced through the system.)

Comment on the degree of reliance that can be placed on the internal control system:

(Evaluate and describe the weaknesses in the system that will affect the audit plan.)