

**FOR COMMENT PERIOD ENDING...**



**IFTA FULL TRACK PRELIMINARY BALLOT PROPOSAL  
#XX-2015 (IFTA, Inc. to assign)**

**Sponsor**  
Audit Committee

**Date Submitted**  
April 1, 2016

**Proposed Effective Date**  
July 1, 2016

**Manual Sections to be Amended**  
AUDIT MANUAL

**A300 IFTA AUDITING STANDARDS  
\*A310 NUMBER OF AUDITS**

**Subject**  
Amend the Audit Manual to allow 4 consecutive quarters to count for PCRC purposes as an audit. The ballot also allows for less than 4 quarters to count as an audit, if all quarters ~~for which a report is required~~, of the license year are included in the audit. **If the base jurisdiction receives information from Law Enforcement, other state agencies, or another jurisdiction, just cause should be documented.**

**History/Digest**  
When A310 was amended to change registration year to license year for purposes of audit counts, audits of four consecutive quarters that were not from the same license year were not counted during a Compliance Review for a jurisdiction's audit count. This **has** lead to some jurisdictions being found out of compliance with A310.

**Intent**  
The intent of this ballot is to allow the audit of any 4 consecutive quarters to count towards a jurisdictions total number of audits for compliance purposes. The language would also allow audits of less than 4 quarters to count towards the total number of audits, provided that all quarters of the license year required to be filed are included in the audit. **This is not intended to be a business model for jurisdictions to meet their required number of IFTA audits each year.**

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 **A300 IFTA AUDITING STANDARDS**

2 **\*A310 NUMBER OF AUDITS**

3 Base jurisdictions will be held accountable for audits and will be required to complete audits of  
4 an average of 3 percent per year of the number of IFTA accounts required to be reported by that  
5 jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section  
6 P1110.300.005 excluding new licensees, for each year of the program compliance review period,  
7 other than the jurisdiction's IFTA implementation year. ~~Such Audits shall cover at least one~~  
8 ~~license year.~~ *To qualify as an audit for the purposes of A310, an audit shall cover at least four*  
9 *(4) consecutive quarters. When a licensee closes an account or licenses in another jurisdiction*  
10 *prior to four (4) consecutive quarters, an audit will qualify as long as all auditable quarters are*  
11 *included. These instances of auditing fewer than four (4) consecutive quarters must be*  
12 *documented with just cause, such as, but not limited to, receiving information from law*  
13 *enforcement, other state agencies, or another jurisdiction. This is not intended to be a business*  
14 *model to meet required number of IFTA audits each year.*  
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16 This does not preclude audits of individual licensees several times during the program  
17 compliance review period. However, audits for a licensee selected that cover multiple license  
18 years, fuel types, or both shall be counted as one audit for program compliance review purposes.

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22 *Would you consider one of the following limitations:*

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- 1) *No limit during a Compliance Review Period*
- 2) *Or set some type of limitation to the number of audits that can count during a compliance review.*