



Auditor 101 Breakout

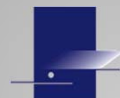
Wayne Brown – ME

Joel Foreman - NE

Welcome

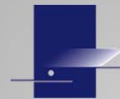
- Participate
- Have fun!

**WELCOME
2 THE
JUNGLE**



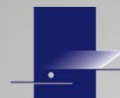
What we'll cover today

- Acronyms in the business
- Department of Transportation (DOT) versus IFTA/IRP
- Auditor 101 Synopsis
- Q&A discussion



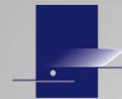
Quiz Time! Acronyms

- AAMVA - American Association of Motor Vehicle Administrators
- ATA - American Trucking Associations
- CCMTA - Canadian Council of Motor Transport Administrators
- CDL - Commercial Driver's License
- CMV - Commercial Motor Vehicle
- CNG - Compressed Natural Gas
- DOT - Department of Transportation
- ELD - Electronic Logging Device



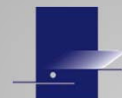
Acronyms (cont'd)

- EOBR - Electronic On-Board Recorder
- FHWA - Federal Highway Administration
- FMCSA - Federal Motor Carrier Safety Admin.
- GPS - Global Positioning System
- GVW - Gross Vehicle Weight
- HAZMAT - Hazardous Material
- HOS - Hours-Of-Service
- HVUT - Heavy Vehicle Use Tax



Acronyms (cont'd)

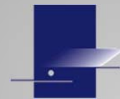
- IVDR - Individual Vehicle Distance Record
- KPL - Kilometers per Liter
- LNG - Liquefied Natural Gas
- LPR - License Plate Reader
- MPG - Miles per Gallon
- NTSB - National Transportation Safety Board
- SAFER - Safety and Fitness Electronic Records System



Acronyms (cont'd)

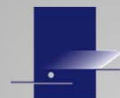
- UCR - Unified Carrier Registration
- USDOT - United States Department of Transportation
- VIN - Vehicle Identification Number
- WIM - Weigh-in-Motion

If there was an acronym that described you, what would it be?



DOT/ELD vs. IFTA/IRP

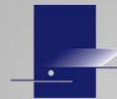
- What are the key differences between DOT records (ELD/Drivers' Logs) and IFTA/IRP record keeping requirements?
 - Qualifying vehicles
 - Record keeping responsibility
 - Record retention
 - Fuel data
 - Reporting requirements



DOT vs. IRP vs. IFTA

What is a “qualified vehicle” according to DOT?

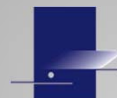
- A commercial motor vehicle
- Engaged in interstate commerce
- GVW or combined GVW >10,000 pounds



DOT vs. IRP vs. IFTA

A commercial motor vehicle is a “qualified vehicle” according to **IFTA** with:

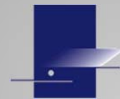
- 2 axles and a GVW or registered GVW >26,000 lbs / 11,797 kgs OR
- 3 or more axles (axles apply to power unit), regardless of weight OR
- A combination (truck / trailer) where the weight is >26,000 lbs / 11,797 kgs



DOT vs. IRP vs. IFTA

A commercial motor vehicle is a “qualified vehicle” according to **IRP** if it is a power unit that is used, or “intended for use”, in 2 or more jurisdictions with:

- 2 axles and a GVW or registered GVW >26,000 lbs / 11,797 kgs OR
- 3 or more axles regardless of weight OR
- A combination (truck / trailer) where the weight is >26,000 lbs / 11,797 kgs



Record keeping responsibility

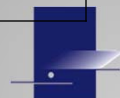
DOT/ELD	IFTA and IRP
Individual Driver	Vehicles and fleet

Record retention

DOT/ELD	IFTA	IRP
6 months	4 years	Up to 6.5 years

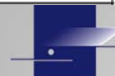
Fuel documentation

DOT/ELD	IFTA	IRP
Part of supporting documentation	Required records for IFTA returns	Not required



Reporting requirements

DISTANCE DATA Collection Elements	Electronic Logging Device (ELD) For Reporting Hours of Service	Electronic Logging Device (ELD) IFTA / IRP Compliant
Original GPS or other location data for the vehicle to which the records pertain	Required	Required
Frequency of GPS Readings, date & time stamps, and distance recording requirements.	Location readings: <ul style="list-style-type: none"> • Every 60 minutes • Every change of duty status • Engine on/Off at a precision of one mile when On-Duty and 10 miles when Off-Duty 	Date and time of each GPS or other system reading: At intervals sufficient to validate the total distance traveled in each jurisdiction. <i>This is dependent on the carrier operation and could mean a location reading every 15 minutes or less.</i>
Location of each GPS or other system reading	Not Required	Required
Calculated distance between each GPS or other system reading	Not Required	Required
Routes of Travel by Unit	Not Required	Required
Beginning and ending reading from the odometer, hubodometer, engine control module, or similar device	Required	Required
Engine Hours	Required	Not Required
Total Trip Distance by Unit	Not Required	Required
Distance By Unit Each 24 Hour Period	Required	Not Required
Distance by Jurisdiction by Unit	Not Required	Required
Unit Number (ID)	Power Unit and Trailer	Power Unit Only
Registrant's (Company) Name	Required	Required
Driver Name/ID	Required	Not Required



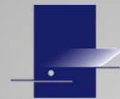
Auditor 101 Synopsis

- What is IFTA and IRP?
- Differences and similarities
- Why do we...
 - Audit
 - Evaluate Internal Controls
 - Sample
 - Project
 - Issue Inadequate Records Assessments



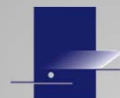
What is IFTA and IRP?

- IFTA
 - Licensee
 - Fuel tax
 - Distance/Fuel/MPG/KPL
 - Quarterly tax returns
- IRP
 - Registrant
 - Registration fees
 - Distance = Percentages
 - Annual reporting period



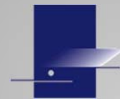
IFTA and IRP Differences

- IFTA
 - 1 fleet/licensee
 - Multiple license years, fuel types, or both = 1 audit
 - No specific requirement to sample 1 quarter per license year
 - Allows intrajurisdiction only units and dual credentialing
- IRP
 - Audit count is stratified
 - Registration of vehicles with GVW < 26,001 allowed
 - Multiple fleets allowed
 - 1 registration year, 1 fleet = 1 audit
 - 1 quarter sample for each audited year
 - 1 plate / 1 cab card



IFTA and IRP Similarities

- Audit Requirements
- Audit Standards, Procedures, Qualifications & Responsibilities
- Audit Communications
- Recordkeeping
- Audit Report



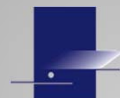
Why do we Audit?

To:

1. Ensure compliance with the IFTA, IRP, and jurisdictional laws
2. Ensure the proper payment of registration fees and fuel taxes

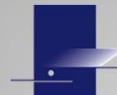
What do we look at to ensure compliance?

Records



Records – Record Keeping Requirements

- Manual records distance requirements
- Electronic distance requirements
- Fuel records requirements
- No or partial records = inadequate records assessments



IVDR Ideal Example

Company Name: ABC Trucking

Driver: A. Trucker

Date Trip Started: 4/12/12

Unit #: 13

STARTING ODOMETER → 123,456

Mileage Information									Fuel Purchases				
Date	Origin / Destination	Beginning Odometer	Route or Highway #	Odometer at State Line	State	Miles (Loaded)	Miles (Empty)	Total Miles	Station or Vendor	Location (City)	State	Invoice #	Gallons
4/12	Phoenix	123,456	I17, US89, US89A	123,800	AZ			344	Love's	Phoenix	AZ		198
4/13		123,800	US89, I15, I80	124,192	UT			392					
4/13		124,192	I80, I25	124,561	WY			369	Flying J	Cheyenne	WY		36
4/14	Denver	124,561	I25	124,653	CO			92					
ENDING ODOMETER (=Starting Odometer for Next Trip)				124,653	These should Match!!					Total Gallons: 234			
Ending Odometer less Starting Odometer =				1,197	Total Trip Miles: 1,197				MPG Test: total Miles/Total Gallons) = 5.12				



COMPANY NAME
UNIT NUMBER
DRIVER NAME

MONTH
YEAR

Oct/Nov
2012

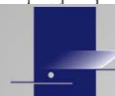
Trip Dates	Beginning Odometer Reading	Ending or Jurisdiction Line Reading	Miles	Jurisdiction	Fuel Purchases	Trip Origin	Trip Destination	Routes of Travel
10/6/12		Empty	262	NM	140.394	Clovis NM	San Antonio TX	251/128
10/7/12		Loaded	262	NM		San Antonio TX	Albuquerque NM	251/128
10/12/12		Empty	131	NM	38.178	Clovis NM	Hobbs NM	70/206
10/12/12		Loaded	131	NM		Hobbs NM	Clovis NM	72/08
10/14/12		Empty	103	NM	154.179	Clovis NM	San Antonio TX	60/124
10/14/12		Loaded	119	NM		San Antonio TX	Albuquerque NM	40/10
10/15/12		Empty	223	NM		Albuquerque NM	Cortez CO	227/52/64
			58	CO				49/1
10-17-12		Loaded	442	NM		Cortez CO	Clovis NM	49/53/64
10/20		Empty	442	NM		Clovis NM	Cortez CO	
10/22		Loaded/Empty	58	CO		Cortez CO	Albuquerque NM	49/16/4
Oct 22			86	NM		Farmington NM	Cortez CO	49/16/4
		Loaded/Empty	442	NM		Cortez CO	Clovis NM	49/53/64
10/26		Loaded	442	NM	133.058	Clovis NM	Albuquerque NM	49/40/26
		Empty	97	NM		Albuquerque NM	Cortez CO	206/16/115
		Loaded/Empty	184	TX		Cortez CO	Clovis NM	
11/2/12		Loaded	179	NM				
		Empty	179	NM	103.063	Clovis NM	Pecos TX	201/11/15
		Loaded/Empty	184	TX				201/17
11-9		Loaded	179	NM		Pecos TX	Clovis NM	201/11/15
		Empty	179	NM	73.768	Clovis NM	Pecos TX	201/11/15
		Loaded/Empty	184	TX				201/17
11/10		Loaded	179	NM		Pecos TX	Clovis NM	201/11/15
		Empty	179	NM	79.067	Clovis NM	Pecos TX	201/11/15
		Loaded/Empty	184	TX				201/17
11/12		Loaded	179	NM		Pecos TX	Clovis NM	201/11/15
		Empty	179	NM		Clovis NM	Pecos TX	201/11/15
11/20/12		Loaded	179	NM	74.243	Clovis NM	Pecos TX	201/11/15

Driver's Name:

Trip/Envelope NO	17267	End Hub:	279834	Arrival Date:	2/11/14
Tractor #:		Beg. Hub:	278683	Start Date:	2/9/14
Trailer #:		Total Miles:	1151	Check #:	13825

TRIP/ENVELOPE # N° 17267

SHIP INFORMATION:			L#		1067		1068		1069		1070		1071		1072		1073		1074		1075		1076		1077		1078		1079		1080		1081		1082		1083		1084		1085		1086		1087		1088		1089		1090		1091		1092		1093		1094		1095		1096		1097		1098		1099		1100		1101		1102		1103		1104		1105		1106		1107		1108		1109		1110		1111		1112		1113		1114		1115		1116		1117		1118		1119		1120		1121		1122		1123		1124		1125		1126		1127		1128		1129		1130		1131		1132		1133		1134		1135		1136		1137		1138		1139		1140		1141		1142		1143		1144		1145		1146		1147		1148		1149		1150		1151		1152		1153		1154		1155		1156		1157		1158		1159		1160		1161		1162		1163		1164		1165		1166		1167		1168		1169		1170		1171		1172		1173		1174		1175		1176		1177		1178		1179		1180		1181		1182		1183		1184		1185		1186		1187		1188		1189		1190		1191		1192		1193		1194		1195		1196		1197		1198		1199		1200		1201		1202		1203		1204		1205		1206		1207		1208		1209		1210		1211		1212		1213		1214		1215		1216		1217		1218		1219		1220		1221		1222		1223		1224		1225		1226		1227		1228		1229		1230		1231		1232		1233		1234		1235		1236		1237		1238		1239		1240		1241		1242		1243		1244		1245		1246		1247		1248		1249		1250		1251		1252		1253		1254		1255		1256		1257		1258		1259		1260		1261		1262		1263		1264		1265		1266		1267		1268		1269		1270		1271		1272		1273		1274		1275		1276		1277		1278		1279		1280		1281		1282		1283		1284		1285		1286		1287		1288		1289		1290		1291		1292		1293		1294		1295		1296		1297		1298		1299		1300		1301		1302		1303		1304		1305		1306		1307		1308		1309		1310		1311		1312		1313		1314		1315		1316		1317		1318		1319		1320		1321		1322		1323		1324		1325		1326		1327		1328		1329		1330		1331		1332		1333		1334		1335		1336		1337		1338		1339		1340		1341		1342		1343		1344		1345		1346		1347		1348		1349		1350		1351		1352		1353		1354		1355		1356		1357		1358		1359		1360		1361		1362		1363		1364		1365		1366		1367		1368		1369		1370		1371		1372		1373		1374		1375		1376		1377		1378		1379		1380		1381		1382		1383		1384		1385		1386		1387		1388		1389		1390		1391		1392		1393		1394		1395		1396		1397		1398		1399		1400		1401		1402		1403		1404		1405		1406		1407		1408		1409		1410		1411		1412		1413		1414		1415		1416		1417		1418		1419		1420		1421		1422		1423		1424		1425		1426		1427		1428		1429		1430		1431		1432		1433		1434		1435		1436		1437		1438		1439		1440		1441		1442		1443		1444		1445		1446		1447		1448		1449		1450		1451		1452		1453		1454		1455		1456		1457		1458		1459		1460		1461		1462		1463		1464		1465		1466		1467		1468		1469		1470		1471		1472		1473		1474		1475		1476		1477		1478		1479		1480		1481		1482		1483		1484		1485		1486		1487		1488		1489		1490		1491		1492		1493		1494		1495		1496		1497		1498		1499		1500		1501		1502		1503		1504		1505		1506		1507		1508		1509		1510		1511		1512		1513		1514		1515		1516		1517		1518		1519		1520		1521		1522		1523		1524		1525		1526		1527		1528		1529		1530		1531		1532		1533		1534		1535		1536		1537		1538		1539		1540		1541		1542		1543		1544		1545		1546		1547		1548		1549		1550		1551		1552		1553		1554		1555		1556		1557		1558		1559		1560		1561		1562		1563		1564		1565		1566		1567		1568		1569		1570		1571		1572		1573		1574		1575		1576		1577		1578		1579		1580		1581		1582		1583		1584		1585		1586		1587		1588		1589		1590		1591		1592		1593		1594		1595		1596		1597		1598		1599		1600		1601		1602		1603		1604		1605		1606		1607		1608		1609		1610		1611		1612		1613		1614		1615		1616		1617		1618		1619		1620		1621		1622		1623		1624		1625		1626		1627		1628		1629		1630		1631		1632		1633		1634		1635		1636		1637		1638		1639		1640		1641		1642		1643		1644		1645		1646		1647		1648		1649		1650		1651		1652		1653		1654		1655		1656		1657		1658		1659		1660		1661		1662		1663		1664		1665		1666		1667		1668		1669		1670		1671		1672		1673		1674		1675		1676		1677		1678		1679		1680		1681		1682		1683		1684		1685		1686		1687		1688		1689		1690		1691		1692		1693		1694		1695		1696		1697		1698		1699		1700		1701		1702		1703		1704		1705		1706		1707		1708		1709		1710		1711		1712		1713		1714		1715		1716		1717		1718		1719		1720		1721		1722		1723		1724		1725		1726		1727		1728		1729		1730		1731		1732		1733		1734		1735		1736		1737		1738		1739		1740		1741		1742		1743		1744		1745		1746		1747		1748		1749		1750		1751		1752		1753		1754		1755		1756		1757		1758		1759		1760		1761		1762		1763		1764		1765		1766		1767		1768		1769		1770		1771		1772		1773		1774		1775		1776		1777		1778		1779		1780		1781		1782		1783		1784		1785		1786		1787		1788		1789		1790		1791		1792		1793		1794		1795		1796		1797		1798		1799		1800		1801		1802		1803		1804		1805		1806		1807		1808		1809		1810		1811		1812		1813		1814		1815		1816		1817		1818		1819		1820		1821		1822		1823		1824		1825		1826		1827		1828		1829		1830		1831		1832		1833		1834		1835		1836		1837		1838		1839		1840		1841		1842		1843		1844		1845		1846		1847		1848		1849		1850		1851		1852		1853		1854		1855		1856		1857		1858		1859		1860		1861		1862		1863		1864		1865		1866		1867		1868		1869		1870		1871		1872		1873		1874		1875		1876		1877		1878		1879		1880		1881		1882		1883		1884		1885		1886		1887		1888		1889		1890		1891		1892		1893		1894		1895		1896		1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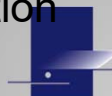
April 2012						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Palm Sunday April Fools' Day 1	2	CA 1431354 1432367 3 (1013)	AZ 1432367 1432710 4 (343)	CA 1432710 1433110 5 (400)	AZ Good Friday Passover Begins at Sundown 1433110 1433459 6 (349)	7
Easter Sunday 8	Easter Monday (Canada, UK, Australia, NZ) 9	CA 1433459 1434565 10 (1106)	AZ 1434565 1435020 11 (455)	CA 1435020 1435535 12 (515)	AZ 1435535 1435951 13 (416)	CA 5677 14
Orthodox Easter 15	CA 1435951 1436451 16 (500)	AZ 1436451 1437040 17 (589)	OFF 18	Holocaust Remembrance Day OFF 19	OFF 20	AZ 2866 21
Earth Day 22	CA 1437043 1437487 23 (446)	AZ 1437487 1437810 24 (323)	Administrative Observance Day 1437810 25	CA 1437810 1438816 26 (1006)	AZ 1438816 1439207 27 (391)	28
29	CA 1439207 1439898 30 (691)				March S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	May S M T W T F 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Electronic Records

- Original GPS or other location data
- Date and time of each GPS or other system reading
- Beginning / ending reading (Odometer, hub, ECM, etc.)
- Calculated distance between each GPS reading
- Route of travel
- Total distance and distance per jurisdiction

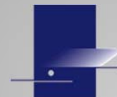


- Vehicle identifier



Fuel Records - Requirements

- Date of purchase
- Vendor name, address, station location, city and state/province
- Quantity (gallons/liters)
- Fuel type
- Price per gallon/liter
- Vehicle number
- Company name



LIBERTY FUEL LLC /1201 N. 39TH AVENUE /PHOENIX, AZ 85035 /FEDERAL ID# 34-1953
 155/602-233-1196
 Number: 2523-1266 8/03/14 Station: 2

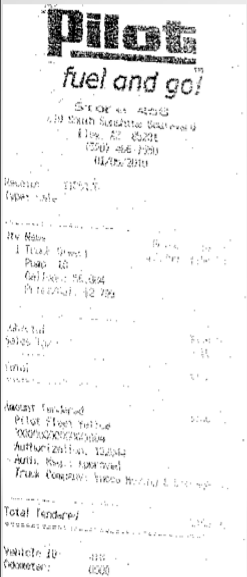
Response(ECN): APPROVD # Merchant ID : Log Number : 222
 1266

Pump	Products	Reffer	Quantity	Unit Cost	Total
#1	DIESEL #2 SELF SERVICE	N	204.931	2.879	590.00


non sales-tax total = 590.00
 subtotal = 590.00
 TOTAL = 590.00 Signature: _____
 I agree to pay total amount according
 to card issuer agreement.
 Customer name: _____

Salesperson Id : IVAN/DY TRUCK Number : A650
 Invoice/Draft # : 231266
 Card Number : xxxxxxxxxxxx3897

Billing Company: *VISA/EFB / VISA
 Company Name : Co. _____



Unreadable!



Pre-Paid & No per gallon amount

Flying J

4/20/10

131.29 gallons

\$3.079/gal.

Total = \$404.24

Hand Written!

Internal Control Evaluations

Why do we need them?

It's required

What's the Process?

- Review & document
- Preliminary evaluation
- Tests of compliance
- Strengths & weaknesses
- Reliability



Why do we Sample?

- Required
- Efficiency
- Internal controls
- Types of sampling
- Sample size

Fleet Size	Vehicles Sampled
1,000 + units	30 +
1,000 units	20-30
500 units	15-20
100 units	10-15
50 units	6-8
10 units	1-2

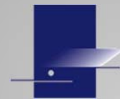


Sampling

	1	2	3	4	Fleet
AL	10,234		2,567		12,801
AR	1,422		1,498		2,920
AZ	4,823	14,523	7,836	10,996	38,178
CA		31,423			31,423
CO			1,322	5,442	6,764
FL	12,423		4,665		17,088
GA	4,265		2,121		6,386
LA	1,011		3,801		4,812
MS	2,623		1,578		4,201
NM	6,015		3,265	5,994	15,274
OK			983		983
TN			441		441
TX	16,022		16,044		32,066
Total	58,838	45,946	46,121	22,432	173,337

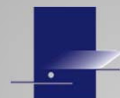
Sampling Errors

- Recurring Errors – errors determined to be systemic that consistently happen through the audit
- Isolated Errors – errors that occur randomly during the audit and/or do not show a pattern of occurrence



Type of Errors

- Distance testing errors
- Unreported distance/fuel
- Clerical errors
- No evidence of reported jurisdiction
- Unsupported fuel purchases
- No bulk fuel withdrawals
- High or low unit MPGs/KPLs



What would you do if...

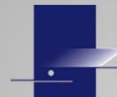
Q: You have looked at a good portion of your sample and found:

- No Errors
- Minor Errors

A: Discontinue and move forward.

Q: Your sample reflects significant errors throughout and/or errors in specific jurisdictions?

A: Expand testing and sampling.



TEST QUARTER UNREPORTED JURIS.:						

TEST			UNREPORTED		TOTAL	
QTR.			ADJUST.		RECAP. DISTANCE	



2/17			268		32,051	

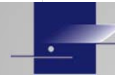
UNREPORTED JURIS. ERROR %			268		32,051	= 0.01
=====						
PROJECTION TO NON-TEST QUARTERS:						

NON-TEST		TOTAL			OTHER	
QTR.		RECAP. DISTANCE			ERROR %	OTHER ADJUST.

3/16		28,694			0.01	287
4/16		14,485			0.01	145
1/17		30,559			0.01	306
PURPOSE: THIS W/P WAS PREPARED TO MANUALLY PROJECT THE UNREPORTED JURISDICTION ERROR %. THIS						
COULD NOT BE PERFORMED BY THE AUDIT PROGRAM, SINCE REPORTED XX JURISDICTION						
DISTANCE WAS ZERO IN EACH QUARTER.						

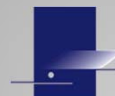
Odometer Distance:										29,012	
2Q, 2017				3Q, 2016		Adjusted		Audited			
Audited	/	Summary	=	Adjustment	Summary	x	Adjustment	=	Distance	Proportion	Distance
AL	5,628	5,275		1.067	3,850		1.067		4,108	0.134	3,888
FL	17,423	16,794		1.037	13,578		1.037		14,080	0.460	13,345
GA	10,766	9,982		1.079	11,266		1.079		12,156	0.397	11,518
TN	268	0		#DIV/0!			#DIV/0!		287	0.009	261
	34,085	32,051			28,694				30,631	1.00	29,012





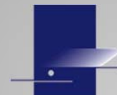
Why do we Project Errors?

- Sampling is required when possible
- Efficiency
 - Facilitates error correction without performing 100% of the audit



Summaries vs. Reported

- Are summaries available?
- If so, do they agree with the reported data?
- If not, which is accurate?
 - Test the source documents.
- Are the IFTA and IRP fleets the same?



SAMPLE IFTA SUMMARY 2Q2018

MILES				
All Trucks	April	May	June	Total
CO	2,325	688	618	3,631
IA	4,618	4,812	1,082	10,512
NV	-	8,099	6,133	14,232
UT	149	943	-	1,092
WY	5,947	556	846	7,349
TOTAL	13,039	15,098	8,679	36,816

FUEL				
CO	147	136	111	395
ID	1,291	701	315	2,307
NV	-	1,523	1,274	2,797
UT	-	354	-	354
WY	2,132	80	-	2,212
TOTAL	3,570	2,794	1,700	8,065

REPORTED IFTA	
10,512 CO	
14,232 IA	
1,092 NV	
7,349 UT	
3,490 WY	
36,675 TOTAL	

395 CO	
2,307 IA	
2,797 NV	
2,212 UT	
354 WY	
8,065 TOTAL	

4.56
MPG



4.55
MPG

IFTA logo

Blue square logo with a white dot and a horizontal line


DATE	ORIGIN - DESTINATION / HIGHWAYS TRAVELED	STATE	Beginning Odometer	Ending Odometer	Reported Distance Per IVDR	Audited Distance	Difference of Audited & Reported
4/1/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	AZ	123,456	123,711	255	255	-
4/2/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	NM	123,711	123,811	100	165	65
4/3/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	TX	123,811	124,911	1,100	1,035	(65)
4/4/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	LA	124,911	125,171	260	260	-
4/5/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	MS	125,171	125,251	80	80	-
4/6/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	AL	125,251	125,326	75	75	-
4/7/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	FL	125,326	125,796	470	470	-
			Total Distance	2,340	2,340	2,340	


	(A)	(B)	(B/A)
	Reported	Total	
State	Distance	Audited	Error
		Distance	Factor
AZ	255	255	1.0000
AL	75	75	1.0000
FL	470	470	1.0000
LA	260	260	1.0000
MS	80	80	1.0000
NM	100	165	1.6500
TX	1,100	1,035	0.9409
	2,340	2,340	



DATE	ORIGIN - DESTINATION / HIGHWAYS TRAVELED	STATE	Reported Distance Per Driver Log	Audited Distance	Difference of Audited & Reported
4/1/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	AZ	235	251	16
4/2/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	NM	130	165	35
4/3/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	TX	840	894	54
4/4/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	LA	260	260	-
4/5/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	MS	80	80	-
4/6/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	AL	75	75	-
4/7/2012	Phoenix, AZ - Hammond, LA - Orlando, FL//I-10, I-75, FL-TPK	FL	430	464	34
Total Distance			2,050	2,189	

State	Reported Distance	Total Audited Distance	AAF
AZ	235	251	1.0681
AL	75	75	1.0000
FL	430	464	1.0791
LA	260	260	1.0000
MS	80	80	1.0000
NM	130	165	1.2692
TX	840	894	1.0643
	2,050	2,189	





What about Inadequate Records Assessments?

- IRP – 20%, 50%, or 100% of fees
- IFTA – P570 and A350

Quick Guide for Adequate vs Inadequate IFTA Records

	Adequate	Inadequate	Overall Rating	Result
Distance	X		Adequate	Conduct the audit
Fuel	X			Deny fuel when appropriate Use A350 for estimated Fuel Consumption, if needed
Distance	X		Adequate	Conduct the audit
Fuel		X		Deny fuel when appropriate Use A350 for estimated Fuel Consumption, if needed
Distance		X	Inadequate	P570 Inadequate Records Assessment
Fuel	X			Deny fuel when appropriate Reduce MPG/KPL to 4.00/1.7 or by 20%
Distance		X	Inadequate	P570 Inadequate Records Assessment
Fuel		X		Deny fuel Reduce MPG/KPL to 4.00/1.7 or by 20%

Reduce MPG to 4.0

Audited MPG Worksheet			
0			
Date:	09/15/2014		
Account #:	0		
Auditor:	0		
Audit Period	01/01/2010 - 03/31/2013		
Purpose:	To verify the accuracy of reported IFTA miles.		
Source:	Taxpayer records and receipts		
Quarter Ending	Reported MPG	Audited MPG	Notes
03/31/2010	6.20	4.00	BIA MPG = 4.0
06/30/2010	6.00	4.00	BIA MPG = 4.0
09/30/2010	6.00	4.00	BIA MPG = 4.0
12/31/2010	5.80	4.00	BIA MPG = 4.0
03/31/2011	6.15	4.00	BIA MPG = 4.0
06/30/2011	6.25	4.00	BIA MPG = 4.0
09/30/2011	6.10	4.00	BIA MPG = 4.0
12/31/2011	5.90	4.00	BIA MPG = 4.0
03/31/2012	6.19	4.00	BIA MPG = 4.0
06/30/2012	6.17	4.00	BIA MPG = 4.0
09/30/2012	6.16	4.00	BIA MPG = 4.0
12/31/2012	6.15	4.00	BIA MPG = 4.0
03/31/2013	6.20	4.00	BIA MPG = 4.0

For a licensee traveling in two jurisdictions (AZ and CA) and operating one unit, the audit assessment can reach:

\$18,886.12



Reduce MPG & Disallow Fuel Credit

Adjustment Factors For Sample Quarters

0

Date:09/15/2014

Account #:0

Auditor:0

Audit Period:01/01/2010 - 03/31/2013

Purpose:To verify the accuracy of reported IFTA miles.

Source:Taxpayer records and receipts

Sample 1

1st Quarter 2010	Reported Miles	Mileage AAF	Audited Miles	Reported Tax Paid Gallons	Tax Paid Gallons AAF	Audited Tax Paid Gallons	Exceptions
AZ	37,729	1.0000	37,729	6,085	0.0000	-	BIA Audit
CA	685	1.0000	685	111	0.0000	-	BIA Audit
	38,414		38,414	6,196		-	

Sample 2

2nd Quarter 2011	Reported Miles	Mileage AAF	Audited Miles	Reported Tax Paid Gallons	Tax Paid Gallons AAF	Audited Tax Paid Gallons	Exceptions
AZ	14,969	1.0000	14,969	2,395	0.0000	-	BIA Audit
CA	1,524	1.0000	1,524	243	0.0000	-	BIA Audit
	16,493		16,493	2,638		-	

Sample 3

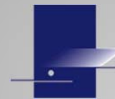
1st Quarter 2012	Reported Miles	Mileage AAF	Audited Miles	Reported Tax Paid Gallons	Tax Paid Gallons AAF	Audited Tax Paid Gallons	Exceptions
AZ	73,790	1.0000	73,790	11,921	0.0000	-	BIA Audit
CA	2,742	1.0000	2,742	443	0.0000	-	BIA Audit
	76,532		76,532	12,364		-	

Sample 4

1st Quarter 2013	Reported Miles	Mileage AAF	Audited Miles	Reported Tax Paid Gallons	Tax Paid Gallons AAF	Audited Tax Paid Gallons	Exceptions
AZ	75,336	1.0000	75,336	12,151	0.0000	-	BIA Audit
CA	1,848	1.0000	1,848	298	0.0000	-	BIA Audit
	77,184		77,184	12,449		0	

For a licensee traveling in two jurisdictions (AZ and CA) and operating one unit, the audit assessment can now reach:

\$52,362.12

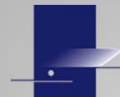


Important Takeaways

- Read
 - IFTA and IRP publications
 - Jurisdiction Audit Program
- Adequately plan the audit
- Understand the auditee's
 - Business operations
 - Record keeping procedures
 - Internal controls
- **COMMUNICATE**



Q & A Discussion



Resources

- www.iftach.org
- www.irponline.org
- What you can find
 - Agreement, Plan, Procedures Manual, Audit Manuals
 - Best Practices Guides
 - Materials from past workshops
 - Webinar materials

