The Review Process

IFTA COMPLIANCE &
IRP PEER REVIEWS

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The Review Process

• A Review offers a detailed analysis of each member jurisdiction’s IFTA/IRP audit and administrative operations

• The review is conducted to ensure compliance with the provisions of the IFTA and IRP.

• For both programs, the reviews can be performed either remotely or on-site.
What is a Remote Review?

• A remote review is an alternate process to the traditional on-site review.
• The opening and closing conferences, as well as discussions between jurisdiction staff and review teams, are conducted by conference calls.

The Review Process

For both IFTA and IRP, each member jurisdiction’s administrative procedures and audit programs are reviewed for compliance every five calendar years.
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**YOU HAVE BEEN SELECTED – NOW WHAT??**

In the months prior to the Review:

- Meet with your staff participating in the review and go over the IFTA worksheets and IRP Compliance Guide so you know what will be expected.

- This information can be found at [www.iftach.org](http://www.iftach.org) & [www.irponline.org](http://www.irponline.org).

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**BE PREPARED**

- Conduct a mock review within your own jurisdiction.
- Review recent final reports to determine common non-compliance findings.
- Revisit your jurisdiction’s past review results.
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BE PREPARED

• Selected jurisdictions will receive an information request notification from IFTA, Inc. and IRP, Inc.

• Work with your staff to be prepared:
  – Information & Materials
  – Adequate Staffing

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STAY AHEAD OF THE GAME

Communication is Critical!
If you or your staff have questions?

ASK

(Remember questions don’t count as non-compliance findings!!!)
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*Communication is still Critical!*

- Plan to meet via conference call with the review team and your staff daily throughout the review week.
- Not all findings are automatic citings.

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**Who has the 411?**

- For IFTA: Patricia Platt  
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- For IRP: Ken Carey  
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(Advertisers of the reviews can confirm what is expected, information requested/received and corroborate time frames during the review period.)
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*Findings – Noted Cites – Issues*

Make note of any issues found and be prepared to respond on how your jurisdiction will address these issues.

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*IFTA COMPLIANCE REVIEW*

- At the end of an IFTA review, a closing conference will be held to present the preliminary findings of the review to the jurisdiction.

- A draft report will be prepared by the Administrator, based on the findings of the team, and will be presented to the jurisdiction for response.
The Review Process

• Response to the findings will be incorporated into the draft report and presented to the Program Compliance Review Committee (PCRC).

• If the findings of the team include a recommendation for follow up, the PCRC chair and vice chair will make a determination on the follow up recommendation.

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IRP PEER REVIEW

• At the end of a peer review, a closing conference will be held with the jurisdiction.

• A preliminary report will be prepared based on the findings of the team, and will be presented to the jurisdiction at the closing.

• After 30 days, the preliminary report will become final and will be posted on the IRP web site.
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**IRP PEER REVIEW**

- If there are any non-compliance findings, approximately one year from the closing conference, a follow-up review will be held with the jurisdiction as part of the Peer Review Committee’s (PRC) monthly conference call.

- Continued non-compliance issues will be referred to the Dispute Resolution Committee (DRC).

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**IRP PEER REVIEW**

- Review the final report with staff, discuss any findings or any changes of procedures due to the findings or suggestions of the PRC.

- Ensure you remain in compliance by conducting a mini review annually.
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Congratulations!

• Give yourself and your team a pat on the back: YOU HAVE SURVIVED THE REVIEW.

• One of the most important things you can do, is have someone from your jurisdiction volunteer to assist in other jurisdictional reviews for IFTA, or volunteer to serve on the IRP Peer Review Committee when there are vacancies.

Top 5 IFTA Findings

#5 A320 SELECTION OF AUDITS
Every jurisdiction must include 25% of their high distance accounts and 15% of their low distance accounts within the 3% audited.

#4 A310 NUMBER OF AUDITS
An average of 3% per year of the number of IFTA accounts renewed, as reported to IFTA annually, must be audited.
Top 5 IFTA Findings

#3 R1230 INTEREST
The base jurisdiction, for itself and on behalf of the other jurisdictions, shall assess interest on all delinquent taxes due to each jurisdiction, except taxes collected directly by other jurisdictions in accordance with IFTA.

#2 R940 TAX RETURN FORMAT
The tax return must be furnished at no charge at least 30 days prior to the due date, whether by standard, non-standard or electronic format.

Top 5 IFTA Findings

#1 P1040 MONTHLY TRANSMITTALS
Outgoing transmittals, incoming billing transmittals, even with the clearinghouse there are still 87 issues with this annually.
Top 5 IRP Findings

#5 Section 1215 – Fee Transmittals
3 jurisdictions failed to send transmittals and appropriate funds to non-Clearinghouse jurisdictions within the 30 days following the close of the transmittal period.

#4 Section 305 – Selection of Base Jurisdiction
3 jurisdictions indicated that when an applicant seeks to register under residency, they are not consistently verifying at least 3 of the evidence documents needed to validate residence.

Top 5 IRP Findings

#3 Section 1025 – Frequency of Audits
3 jurisdictions did not complete audits of an average of 3% per year of the number of fleets whose registration it renewed annually under the Plan.

#2 Article II – Definitions
In 4 jurisdictions, the definitions in the IRP Registration Manual and instructions provided to the registrant were either not provided or were inconsistent with the definitions in the Plan for several IRP terms.
Top 5 IRP Findings

#1 Section 1055 – Audit Reports
5 jurisdictions were not submitting the audit reports to the affected jurisdictions at the time the registrant was provided with the report and base jurisdiction’s customary notice of assessment, billing, or other notification, which signifies the beginning of the registrant’s appeal period.

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IFTA Review Schedule

• CANADIAN REGION 2016
• WESTERN REGION 2017
• SOUTHEAST REGION 2018
• NORTHEAST REGION 2019
• MIDWEST REGION 2020
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IRP Jurisdictions for review in 2016

- Connecticut
- District of Columbia
- Florida
- Idaho
- Maryland
- Minnesota
- Oklahoma
- South Dakota
- Tennessee
- Utah
- Virginia

QUESTIONS?