

IFTA AUDIT COMMITTEE MEETING MINUTES
August 15, 2017

Jurisdiction Representatives:

Helen Varcoe, Chair, MT
Dave Nicholson, Ex-Officio, OK
Bob Gattinella, RI
Joel Foreman, NE
Kristie Zanis, NH
Betsy McCabe, NV

Beth Duda Vice Chair, AZ
Kelly Heaton, AR
Jimmy Tompkins, AL
Lynden Landholm, KS
Marsha Douglas Roy, QC
Bille Pierson, ID

Board Liaisons:

Steve Nutter, VA
Joy Prenger, MO
Rick LaRose, CT

IFTA Inc., Advisors:

Debbie Meise
Tammy Trinker

Roll Call: David, Betsy, Debbie, and Steve were not on the call.

Last Month's Meeting Minutes: July 1, 2017 Meeting Minutes were approved without adjustments – Lynden motioned to approve and Kelly seconded.

UPDATES:

IFTA/IRP Workshop: Topics are still in discussion. The ASSC will be holding their meeting at the same time as the IFTA/IRP Audit Workshop. Someone from each of our two committees will give a one-hour presentation to the other group on a topic of their choice. Ideas for topics for the ASSC to give are being solicited from the AC.

Bob suggested the possibility of the attorneys going over the “legality” of all the documents that jurisdiction require to be signed (i.e.: waiver, test period agreements, POA's, etc.), and the potential ramifications if they are not.

Kelly suggested them providing any possible follow-up to an audit that has favored the taxpayer/licensee in the formal appeals/hearing process. Does a jurisdiction or any other involved jurisdiction have any additional recourse when the ruling has gone against the audit's determination? No one on the committee had run into this issue yet, so no answers/solutions could be provided. However, Lynden and Helen both stated that they impress upon their attorneys that they are representing all jurisdictions in the process and not just their own as they normally otherwise do. Therefore, Helen thought was a really good question that warranted further consideration.

One of the topics that the Audit Committee might present to the ASSC is the “*Adequate/Inadequate*” rating of a licensee’s recordkeeping. Helen suggested the attorneys might want to know the tools and requirements we follow or need to follow in order to do the examination and complete the audit. David’s chart is a great start, but has not been finished yet.

IFTA/ABM: Helen stated it was a very good meeting. She gave an update on the Audit Committee including the success story of IFTA... yesteryear, success story and what the future may hold. Beth gave a presentation on ELD’s from an audit perspective (like purchasing a GPS, buyer beware and know what you are buying). She thanked the members of the Audit Committee for their help and assistance in getting information to her for her talk. There is an Electronic Credentials Workgroup being formed with Jeff Hood as chair. Joy Prenger will also be a member of this working group. All current ballots were discussed at the meeting. Ballot 03-2017 and 04-2017 were voted on and approved to be short tracked. The presentations are out on the IFTA website for review of attendees and the community.

Industry Committee Proposal: The idea of an industry liaison being allowed to join all IFTA committees has been proposed and needs to be discussed by each individual committee. Apparently, IRP has them on all their committees. Some of the questions raised were: What level of involvement will they have? What will he/she be allowed to participate in? Who would be the representative?

Rick LaRose stated that the DRC has Industry Advisors written into their process, but they are dismissed from the any deliberation specific to any taxpayer or jurisdiction. He stated we would have to be extremely careful not to bring up any taxpayer name or identity because of the confidentiality we must all adhere.

Bob and Kelly both suggested the consideration of the benefit versus risk of agreeing to this proposal. Does one weigh more than the other? And Rick brought up the requirement in CT of their Revenue Department needing to be at “Arm’s Length” from the taxpayer. There could be other potential unseen ramifications. The independence of an audit could be impeded by the process. Bob and Joel both agreed with Rick, and Jimmy mentioned that if industry just wants to give feedback, that auditors get feedback out in the field all the time.

Joy stated that Motor Fuel Tax is completely different than the “fee” that IRP is responsible for. There are a whole host of statutory requirements within each jurisdiction. Everyone agreed with this comment.

After Helen had said she would find out what the full roll of the industry liaison would be for our committee, Joy said she and Rick would will bring it up at the

next board meeting/call and try to get the parameters that are being contemplated.

It was decided that the Audit Committee would wait for additional information before we put the proposal up for vote. This decision was agreed upon by everyone.

Joint Training Sessions: Lynden said that he and Jimmy have been thinking about Joint Training Sessions, but needed to do some more work on it. Lynden asked Helen who he should contact in IRP for their part in this. Helen suggested starting with Renee, and she would bring it up with her on the next workshop planning call.

Best Practices Guide: Everyone on the committee likes the content in the Best Practices Guide. A lot of work has gone into it and the links are being put in. The appendixes still need to be worked on before the guide can be completed and given to IFTA, Inc. for review. After their ok, it will go the board for their approval. Helen's questions were, what needs to be included and what shouldn't. There have been some good examples of things already given for consideration. These need to be looked at and other additional info still needs to be included. However, there is not a lot of time left for it to be ready for the workshop and decisions will need to be made. Jimmy has been active on it, and Bob stated that he not worked on it as much as he wanted to, but will get to it. A conference call among the volunteers will need to take place soon.

Industry Average Chart: Kelly has continued to work on it, but to date has not found as much information (sources) as he had hoped he would find. He has about four of the standard sites, but wants some more. He asked if any of the committee members had any links that they might use. Please contact him if you know of any.

Adequate/Inadequate Chart: David is still working on it with Renee and will be submitting it soon. Once completed, this will be a really good chart that should be beneficial to all of the IFTA Audit community. The "guidelines" will make the review/opinion of the recordkeeping more standardized and easier to make.

Record Reviews: Beth and Kelly worked on it and have given it to David for his review and input.

IFTA Education Forum: Helen stated that Steve is going to work on it, and Joy stated that it hadn't been discussed yet.

New Business: Since Helen will not be available for the next month's conference call, Beth will be stepping in to handle the audit committee call. Kelly mentioned that he may have a topic for the next workshop, and would be contacting Helen about it soon. There was no other new business brought up by anyone.

Adjournment: Jimmy motioned to adjourn and Kelly seconded.