

IFTA AUDIT COMMITTEE TELECONFERENCE

FEBRUARY 12, 2008

Participants:

Arthur Gumbs
AnnMarie Chamberlain
Mark Byrne
Gene Hall
Bobbie Keller
Dawn Lietz

Audrey Martel
Charmin Tillman
Dan Young
Debbie Meise
Tammy Trinker
Bob Turner

Review of the minutes of the last meeting.

Minutes from the annual meeting held on January 8, 2008 were accepted as written.

Update-Joint Audit Subcommittee, Nebraska Joint Audit

Twenty jurisdictions, including Nebraska and thirty auditors will be participating in the joint audit. Mark stated that there are no problems, to date. But, he found that you have to be extremely organized concerning auditor travel plans, schedules, matching work to people, etc. There will be no software issues during this audit. Nebraska worksheets will be used by all participating auditors. Mark ensured that the carrier being audited and its agent know the number and names of the jurisdictions participating. Mark has sent emails to participating jurisdictions regarding issues and asking for discussion, and agreement among the jurisdictions was reached. The agreement indicates jurisdictional unity to the carrier and its agent and the feeling is that the carrier is more apt to accept the outcome as issues are not isolated to Nebraska. Nineteen other jurisdictions agree with Nebraska. Kudos to Mark from Dawn for communication, there has been good dialog among everyone participating. After the first week, most major issues that remain should be resolved. Nebraska is the base jurisdiction, but there are other jurisdictions that have more at stake. He found that jurisdictions have been willing to compromise. Auditors, administrators and audit managers are very supportive. One plus is, this audit indicates to an agent that may service multiple jurisdictions and has a history of compliance problems that twenty jurisdictions agree on requirements. It may make it easier to deal with such an agent on a one-on-one basis because all jurisdictions have the same philosophy regarding records.

It was noted that Industry wanted to add a member to the Joint Audit Subcommittee. The unanimous vote was "no".

Update-Draft Audit Committee New Member Orientation Guide

Audrey stated that Scott (Bryer) received recommendations from the Board of Trustees and was busy making revisions. A recommendation was that Audit Committee travel expenses are Board approved. Another recommendation was not to list the names of Committee members as they change too often. Audrey requested a list of the Audit Planning Committee members. Arthur will send her the list.

Update-Audit Committee Audit Procedures Subcommittee Survey/Survey of Commissioners

Arthur has been in touch with Rick LaRose who has prepared a word version of the Survey to be sent to jurisdictions that didn't respond originally. They will be asked to respond by 2/28/08. Members of the Subcommittee will make follow-up courtesy calls. Once the responses are received, Rick will put the results together and make a report to Commissioners at the Annual Business meeting in July.

Audit Workshop, 2009

1. Workshop dates – Sunday, January 4 (optional day) through Wednesday, January 7 with the Audit Committees annual meetings on Thursday, January 8. The list of Audit Workshop deadlines has been distributed by Tammy.
2. Potential topics – a.)Managing for Compliance, the 3% issue in the context of strategies managers can use to increase productivity. Should a document be written similar to the Best Practices Guide for managers? From the Commissioners survey there should be a better picture of how committed jurisdictions are to reaching the 3% requirement. Debbie indicated that a new ballot went into effect this year regarding calculating the jurisdictional 3% number. The main thrust is "new licensees". Some issues have arisen. The term, "new licensee" has not been defined. For example, if a carrier moves from one jurisdiction to

another, is it a new licensee? No. If a carrier has been released from bankruptcy and wants to join IFTA again, is it a new licensee? No. If a carrier goes from a SS# for identification to a federal #, is it a new licensee? No. Carriers can be tracked from jurisdiction to jurisdiction through the Clearinghouse. If you plug in the carrier's identification number, you can obtain a history of that carrier.

b.) Hoa and Sandy Johnson will have a general session topic on GPS. One thing planned is a trip around Tempe comparing GPS information with odometer readings, etc.

c.) The Record Keeping breakout session that was pre-empted by discussions on GPS at the last Workshop, will be presented in 2009.

d.) To be included in Auditor 101 is a short history of how audit functions have evolved in the program.

e.) Auditor 102 will aim to address issues that are generated in audits. It will be a mid step between Auditor 101 and Managing for Compliance.

f.) Debbie stated that Rick LaRose is compiling a history of IFTA on a Commissioners level and will present it at the Board of Directors meeting. After that meeting, it will be discussed whether to include that topic in the General Session.

g.) It was suggested that, in the General Session, there be a definition of the various IFTA and IRP Boards, Committees, etc. and how they all work together, organizational overviews.

h.) Pennsylvania fraud case. Arthur volunteered to contact Fred (Alleman) regarding this subject.

3. The Materials Coordinator is to come from the IFTA side this year. Charmin volunteered to be our Materials Coordinator. Allen Cummings is to be the Breakout Coordinator. Volunteers for next year are: AnnMarie, Mark, Bobbie, Dawn, Hoa and Dan. Audrey volunteered to be a materials preparer. Sandy Johnson volunteered as a presenter with Hoa.
4. Format – the agenda will be emailed.
5. Deadlines – Tammy has emailed the list of dates to Arthur who, in turn, emailed the list to Committee members.
6. Other Workshop related issues. Not at this time.

Request to present at Managers' Workshop in September. Topic: Need for Closer Interaction between Jurisdictional IFTA Administration and Audit Departments. Arthur asked Committee members to think about it and perhaps someone would volunteer. Debbie stated that Arthur could contact Bill Cullen (AZ).

Decal Reconciliation- The idea is to query contacts from jurisdictions regarding the practice of decal reconciliation using four questions. The questions were emailed to Arthur for his perusal, suggestions and approval. It was thought that a representative from each region would contact the jurisdictions in his/her region. Volunteers to date are Bobbie, Gene and AnnMarie.

Other Business – None

The next Audit Committee teleconference is scheduled for **Tuesday, March 11 at 11:30am EST.**