

**IFTA AUDIT COMMITTEE TELECONFERENCE
JUNE 10, 2008**

PARTICIPANTS:

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

Hoa Quach
Charmin Tillman
Dan Young
Fred Alleman
Debbie Meise
Tammy Trinker

The minutes from the IFTA Audit Committee teleconference held on May 13, 2008 were accepted as written.

Update of the Joint Audit Sub-committee – Nebraska Joint Audit

Dawn said that a recent issue involved reviewing bulk fuel records on excel worksheets as opposed to original withdrawal records. There were licensee terminals that entered information from original records onto Excel worksheets on a regular basis. Some participating jurisdictions required the original withdrawal records.

The last couple of sample vehicles are currently being audited and the audit itself should be completed by the end of July.

Certificates of Appreciation have been sent to jurisdictions to be presented to participating auditors.

**Update of the June Planning Committee Teleconference
Review of the Draft Agenda –**

Auditor 101-

Gerald Jackson will help present the Auditor 101 session. There was a discussion regarding the taping of the Auditor 101 session at the 2009 Workshop. IRP is requesting bids from vendors to tape that session. Issues such as confidentiality were raised. It was suggested that a “staged” Auditor 101 be taped outside of the Workshop. The fact that the session would have to be very scripted and in a controlled environment was mentioned. A meeting had been requested among a long time presenter for Auditor 101, an advocate for eliminating the “Train the Trainer” tape and the person in charge of taking bids for the taping, etc. However, a reminder was given that at least the Chairs and Vice Chairs from both Audit Committees should be included as well as personnel from IRP, Inc. and IFTA, Inc. Auditor 101 is for both IRP and IFTA auditors. It was pointed out that IRP has a training session on its website. A unanimous decision was made to shelve taping the Auditor 101 session for the 2009 Workshop, continue looking into the matter and possibly schedule the taping for the 2010 Workshop.

Managing for Compliance-

The topic, Staff Development/Motivation will be presented by Bill Cullen. Other topics suggested are Managing Telecommuters, Additional Certification (Bobbie and Dan), Rich Wagner's Team Building between Jurisdictions (maybe Auditor 301?), Audit Selection Process/Criteria/Monitoring Hours (Arthur could assist) and Audit Reviews (Dawn with Audrey assisting her).

Auditor 301-

GPS Points and Distance Software will be presented. Additional suggested topics are: Rich Wagner's Team Building Between Jurisdictions (maybe Managing for Compliance?), Audit Reviews, Audit Planning-Time Management, Audit Program, Communicating Results Properly, Sampling-Understanding that some Samples May Not Be Representative, Making Decisions, Reasonableness of Results-Does It Make Sense? A question as to the optimum length of this session was raised. Discussion indicated that it should be a full-day session. One argument was that jurisdictions would be reluctant to send auditors a day early for a session lasting three or four hours.

Auditor Safety-

One hour and fifteen minutes has been allocated to this topic. Debbie will contact the local Police Dept. to see if someone will volunteer to present the topic. She stipulated that the allocated time may conflict with a volunteer's schedule. She will try to accommodate the Officer.

Breakout #1: GPS Info & Auditing-

Hoang was asked if he and Sandy needed one or two breakout sessions. He stated that he believed that one session is sufficient. But he will contact Sandy to verify and then get back to Arthur. (With one session, we need a fourth Breakout session topic.)

Breakout #2: Paperless Audits/Electronic Records-

Gerald Jackson has requested an IFTA participant. Generally, jurisdictions still review source documents and then some of them record the results via electronic records for storage. A recommendation was made to see if any jurisdiction has audited and accepted electronic records. A suggestion was made to see if we could get someone from Industry (Donna Birch/Gary Bennion) to educate us about electronic records, what the controls are, if, when and how edits are made and so on.

Breakout #3: Hodge Podge-

Rich Wagner to present IRP mileage. He to be contacted regarding this topic. Dawn and Audrey will also facilitate this breakout.

Breakout #4:-

This will probably be about the topic Vicki Haydon (AR) mentioned in an email. Bulk fuel was purchased from one jurisdiction (LA), but when it was delivered to storage in Arkansas, the company charged Louisiana excise tax on some and Arkansas excise tax on other fuel. However, the licensee did not report any bob-truck fuel deliveries on their Arkansas Motor Fuel Tax return meaning that tax-paid purchases were not really tax paid. Massachusetts has come across a similar situation regarding a company which wet-fuels vehicles. Vicki will be asked to facilitate this breakout.

Revised Deadlines

Tammy will email the Committee members the revised deadlines.

Presenters/Materials Preparers/Volunteers

Did not review people participating in the Workshop for 2009 as a separate topic.

Other Workshop Related Items/Issues

Arthur is to get back to Allen regarding the Committees decision concerning taping the Auditor 101 session at the 2009 Workshop.

Tolerance issues were discussed. Utah has a tolerance level of \$100.00. At least one jurisdiction must have a change of \$100.00 or more, or it's a no change audit. However, funds still have to be distributed to affected jurisdictions which did not occur in the audit under discussion. Utah has been cited for this issue by the IFTA Compliance Review Committee previously. The IFTA Articles of Agreement state that all funds will be transmitted. There are two levels of tolerance; 1) administrative, regarding transmittals, there shall be no tolerance, 2) auditor level, may have tolerances having to do with materiality issues. A suggestion was made that a statement be made on the IFTA website and/or in the IFTA News that there is no tolerance regarding the transmittal of funds. A suggestion was made that this might be a good topic for Managing for Compliance and/or Auditor 301.

Other Business

Discussion of the results of the decal survey was tabled until the next teleconference.

Move was made and seconded to adjourn.

The next teleconference is scheduled for **Tuesday, July 8 at 11:30am** EST.