

## IFTA Audit Committee Meeting Minutes

October 21, 2014, 11:00 am

Dial in #: (866) 906-7447

Conference ID: 9179391#

### **Jurisdiction Representatives:**

Jeff Hood, IFTA Chair IN

Dave Nicholson, IFTA Vice-Chair, OK

Dawn Lietz, Ex-Officio, NV

Maxime Dubuc, QE

Bob Gattinella, RI

Stacey Hammock, WY

Diana Kay, FL

Robert Schwab, MO

Jimmy Tompkins, AL

Helen Varcoe, MT

Don Williams, ID

Kristie Zanis, NH

### **Board Liaison**

### **IFTA Representative:**

### **Notes taken by:**

Scott Nutter, VA

Debbie Meise

Monica Halstead, IN

Joy Prenger, MO

### **Action Items:**

- 1. Audit Committee members should commit to their level of involvement with the Workshop.**
- 2. Verify with Tammy that the room available for the joint audit committee meeting will accommodate all wishing to attend.**
- 3. Confirm meeting time on Day 3 with the IAC.**
- 4. Consider volunteering to moderate the webinar.**
- 5. Audit Committee members should reach out to other jurisdictions within their region to generate discussion about Ballot 3. Members in other jurisdictions can be advised that changes have been made to the Ballot that answer most of the questions received.**

### **Roll Call**

### **Review Minutes**

Stacey made a motion to approve the minutes from the September meeting.

Bob Gattinella seconded the motion.

The September minutes were approved.

### **Committee Charter Document from IFTA Board**

The Audit Committee column was completed by adding the following items:

- An item was added to Section IV clarifying the Chair's role as a voting member of the Committee.
- Section IV, Item H from the ITAC column was copied to the Audit Committee column, detailing the extent of the Audit Committees interaction with other committees.

- Section X was added to the Audit Committee column to define a quorum as two-thirds of the voting membership. The presence of eight out of eleven Committee members will constitute a quorum. All members on the conference call agreed.

### **Audit Workshop Discussion**

Brian Lehane is working with the IFTA IRP Workshop Planning Committee. While industry participation is desired it must be measured and appropriate. An ideal level of industry participation would be two service providers and two representatives from companies. Bob Gattinella suggested that industry representatives be provided with guidelines for participation. Connie Owen (JJ Keller) and Gary Bennion (Con-Way) might be good representatives.

Room configurations must be considered when planning the breakout and general sessions. Each topic will be assigned 45 minutes. The meeting will be divided into four rooms for the breakout sessions. Four facilitators will be assigned to each breakout room. The facilitators will direct the rooms for a full day and a half, but not necessarily be responsible for creating materials. The participants will be assigned to tables to ensure that each table has participants with a mixture of experience. One audit lead participant should be included at each table.

To have one lead and three facilitators in each room, 16 volunteers will be needed. The IFTA and IRP Audit Committees each have about 11 members. The Audit Committees should be able to provide the leads and facilitators.

On the second day, distance and fuel adjustments will be analyzed.

Small groups will create the scenario modules. All groups (rooms) will work from the same modules. The four lead facilitators will coordinate the review of modules and organize the presentation prior to the Workshop. Theory and facts will dominate the scenario analysis. The computations will be completed and included in the documentation distributed to the Workshop participants.

On the morning of the last day of the Workshop, the group will meet in General Session. The discussion will include the final conference and a comparison of the groups' conclusions. The group leads will meet prior to this session to compare notes and generate conclusions about the areas of agreement and dissent.

### **Post-Scenario Workshop Details**

Topics for the Town Hall will be developed.

From 4-5 pm on Day Three, the Jurisdiction Only and IAC Meetings will be held.

Day Four will consist of an IFTA and IRP Joint Audit Committee Meeting in the morning, followed by separate IFTA and IRP Audit Committee Meetings.

Audit Committee members are expected to stay at least until 2 pm on Day Four.

At the last workshop, the room for the Joint Audit Committee Meeting was too small to accommodate those wishing to attend. Some left earlier than expected because they couldn't attend the meeting. The

meeting space this year should be large enough to accommodate all participants wishing to attend the joint meeting. We will verify this with Tammy Trinker.

### **Review of Notes from Workshop Planning Call**

Flow charts will help leaders to keep the rooms on the same page.

The scenario fleet size should be set to allow for informative analyses without overwhelming the participants. Some proposed audit issues include borderline mpg's, bulk fuel adjustments, and vehicles lacking intent. The discussion surrounding the vehicle lacking intent should reveal different treatments by jurisdictions of potential credits from vehicles lacking intent.

The three categories of help needed for the Workshop are:

- Lead facilitator
- Assistant facilitator
- Materials creator

Please evaluate your time commitments and consider volunteering for one of the positions. Audit Committee members should email Jeff by the end of day tomorrow to volunteer.

On the Workshop call, Brian asked what the group is trying to accomplish through the Workshop. Jeff's response is that the Workshop discussion should reveal whether all of the jurisdictions are thinking in the same direction on audit issues. By discussing different audit decisions, uniformity among jurisdictions could be enhanced.

### **Workshop Press Release**

Bob Gattinella created a good press release for the Workshop. The only suggestion is that the purpose of the Workshop-to educate, train and enhance audit techniques-be clarified. Dave would like the press release to be ready for the November IFTA newsletter.

### **Auditing 101 Webinar**

The PowerPoint for this webinar should have been distributed to both audit committees. The webinar has been scripted. The group is seeking moderators. Mr. Weber is helping for the IRP side. The target date for the webinar is the end of January or beginning of February to lead into the Workshop. Does anybody on the Audit Committee want to moderate the webinar? Renee will likely participate, if asked. Mr. Weber will be asked. If others would like to volunteer, please let Jeff know by the end of the day. Debbie will be consulted about hosting the webinar.

### **IFTA Ballots 3 and 4**

Ballot 4 seems likely to pass.

Changes have been made to Ballot 3 that address the questions posted to the IFTA site.

Language was added to clarify some seeming inconsistencies. In some cases reducing the Audited mpg and denying credits does not greatly affect an audit assessment, so an inadequate rating does not provide an incentive to improve the recordkeeping.

.100 has not changed.

.200 has not changed.

.300 was changed to include language that an inadequate rating does not affect the base jurisdiction's ability to conduct a BIA audit, with cause.

A BIA audit includes a substantive use of estimates, based on the licensee's records and relying on the auditor's discretion in making adjustments. With the new language, an inadequate rating does not negate a BIA audit.

As an inadequate IRP rating may undercut unreported jurisdictions, an inadequate IFTA rating do little to make the affected jurisdiction whole without the ability to conduct a BIA audit.

Dave stated that under the previous proposal, A350 allows for a BIA audit, but is not clear as to its use with inadequate ratings. The addition of BIA language to R770, the Inadequate Records Assessment section, makes it clear that the two can be used in conjunction.

Jeff expects these changes to be posted soon. He asked Kristie to reach out to her fellow New Englanders to make sure they are aware of the new language and determine whether they have concerns about Ballot 3. If they do voice concerns, ask if ICAWG can be advised of the concerns.

The IFTA Audit Committee members are in a unique position to generate discussion about ballots. While individual members may not support a ballot, they should communicate the contents of the ballots. The idea is to start the discussion to make sure that other members understand the issues and any changes made.

The change made to Ballot 3 addresses a primary concern. There may be other concerns that should be brought to the ICAWG's attention. Some jurisdictions and members are very engaged. Nebraska thought this change made the proposal better. Connecticut thought that more was needed.

### **Wrap up**

Bob Schwab moved that the meeting be adjourned. Stacey seconded.

The meeting was adjourned at 1:23.