

## IFTA AUDIT COMMITTEE MINUTES

June 12, 2018

Dial in #: (866) 906-7447 Conference ID: 9179391#

### Jurisdiction Representatives:

Helen Varcoe, Chair, MT  
Dave Nicholson, Ex-Officio, OK  
Joel Foreman, NE  
Kristie Zanis, NH  
Betsy McCabe, NV  
Rayna Ware, TN

Beth Duda-Rel, Vice Chair, AZ  
Kelly Heaton, AR  
Lynden Landholm, KS  
Marsha Douglas Roy, QC  
Bille Pierson, ID  
Jesse Taylor, MD (absent)

### Board Liaison:

L Michael Romeo, CT

### IFTA Inc., Advisors:

Debbie Meise (absent)  
Marie Coronado

**Volunteer to take minutes – Lynden**

**Roll Call:** Those absent are noted above.

**Approval:** Kelly made the motion to approve, and Betsy 2<sup>nd</sup> the motion. Motion carried with no one dissenting.

### **Updates:**

**IFTA/IRP Workshop** –Beth went thru a laundry list of topics from their last planning committee call: (Helen was not able to attend)

The planning committee is reaching out to Nevada for potential outdoor presentations/presenters. Betsy will touch base with Dawn to see what can be done. The hotel (Tuscany) needs a 90 day notice to schedule an outdoor session.

Some potential workshop town hall /breakout topics that came from the survey questionnaire include; how does industry prepares for an audit, someone volunteered to do a presentation on auditing electronic records, it was suggested that the breakouts might be divided up between different experience levels like an auditor 101, 201 and 301. The auditor 101 webinar should be presented about a week or so before the workshop then given again during the workshop as an optional session. Are there any other optional sessions that should be offered?

Audit reports and internal controls should be discussed as that has been a focus of peer/compliance reviews.

Should vendor ELD demos be offered again?

How about a carrier presentation with a more directed topic?

There is absolutely no money for a keynote speaker in 2019.

With respect to IFTA, the PCRC has changed how the reviews are conducted, and should someone from that committee provide a presentation on their current focus?

How is the clearing house being used by the PCRC and would it be useful to have a session, maybe as an optional session on what is available? Kelly interjected that he just recently went thru one and the audit report is key to the review. Marsha is concerned that with the French to English translation that their

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report must go thru, that some of the intent or maybe an incorrect translation will be made and they could be cited for something. Dave thought that could be overcome with proper communication between the jurisdiction and the Program Compliance Review staff.

The planning committee is looking for other ideas to use for town hall/breakout sessions.

During the planning call it was also discussed that some standardization of ELD output should be looked at.

The attorney steering committee will again be meeting concurrently. Do we want them to have a general session presentation? The 2018 presentation brought mixed reviews regarding the relevance from the workshop survey. Dave interjected that the ASSC meets the same time as the audit workshop as a cost saving measure and it is not the intention that we have to trade presentations during the meetings.

**PCRC Questionnaire Inadequate Assessments-** Helen received an update from Debbie. Helen read some language that the PCRC would like the Audit Committee's input on regarding the interpretation of when to check the inadequate records box on the audit report. The language they used reflected that the inadequate records box would be checked if the records were inadequate for the entire audit period.

The language proposed was discussed amongst the committee and different questions came up, Marsha wanted to know what happens if the audit was later on amended and the licensee's records were now compliant.

A lengthy discussion ensued regarding what constituted a completed audit and how much time was given for appeal/protest. The licensee must be given a minimum of 30 days to appeal/protest. Some jurisdictions give longer time periods.

Dave did not believe that including the entire audit period is acceptable due to the potential for part of an audit period to be non-compliant or maybe just one or two trucks within the fleet.

Helen wanted to know what the data the PCRC is potentially collecting will be used for.

It was suggested that Helen, Beth and Dave should be on the next PCRC call so some of the AC's concerns and questions could be discussed. It was agreed that this should happen.

**Joint Training Sessions** – Lynden noted that the power points are due the committee by July 1 and that Claudia from IRP was working on time schedule for each of the webinars. The internal control webinar is scheduled for September 11. The plan is to still try and get them all rolled out by the end of October. Our next conference call is scheduled for June 19<sup>th</sup>. Betsy spoke up that she will not be able to be on the call due to medical reasons.

**Non-Receipted Fuel on Tax Returns-**The committee was asked how their jurisdiction handles non receipted fuel that is shown as OT fuel on a licensee's quarterly tax return. Do jurisdictions allow for this type of entry? Jurisdictions do

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allow for this as it maybe for DC or say MX. There may be other reasons to report OT, say for reservation purchased fuel that does not pay the tax to a jurisdiction, such as NY. When OT fuel is reported in VA, then these licensees are being referred for an audit. None of the jurisdictions on the call had this procedure in place. Steve Nutter has been asked about this procedure and will follow up with his staff after he is back in the office.

**Indiana Questions** – Dave has visited with Jeff Hood, IN. IN has concerns that when they have an inadequate records audit and find additional fuel in a jurisdiction(s) that has been under reported that the jurisdiction could potentially refund money as a result of the audit. IN has been adding miles for these jurisdictions to compensate for the added fuel. Dave will visit some more and get back to us, maybe take a look at some of the spreadsheets IN has created. Dave indicated that doing all the extra work is not what the inadequate records is supposed to be about.

**Industry Committee Representative** –Michael reported that the IFTA Board has a conference call the end of this month and they will discuss an IAC representative at that time. The IAC is aware that the Board will talk about it and decide how they should proceed.

**Record Reviews** –Beth reported that there has not been anything done on it at this time but she has been thinking about it. Beth and Kelly will talk about it. Beth has been given approval to go to the IFTA ABM and it may be discussed there.

**BPG**-Helen has had several questions about the BPG. Some of the Appendices were not the final ones when uploaded to the clearinghouse, and the revision date is missing from pages. IFTA Inc., is short on staff resources and they would to have the corrected version uploaded to the clearinghouse by the end of June.

### **New Business:**

Helen brought up that Joy has resigned from the IFTA Board. Michael said a replacement would be appointed to the AC, but a replacement for Joy on the Board will need to be in place first. Michael mentioned the letter that Steve Nutter had written regarding reposting the position. Helen asked if the Business Supervisor that has been posted by IFTA Inc. was to replace Amanda. Michael confirmed yes.

It was also mentioned that Lonette has set a retirement date of September 7, 2018 and that her position will also be posted. Lonette will stay on as a consultant into 2019 to smooth the transition for her replacement.

For the workshop could there be a discussion regarding the standardization of ELD/GPS information that the jurisdictions receive.

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As the meeting was running long it was decided that any other business would be carried over to the July call.

Betsy motioned to adjourn and Bille the second. Motion carried without dissent.