

**INTERNATIONAL FUEL TAX AGREEMENT (IFTA)
AUDIT COMMITTEE
CHARTER**

(Approved, January 2009)

- I. **NAME:** The name of this committee shall be the IFTA Audit Committee (AC).

- II. **AUTHORITY AND PURPOSE:** The AC is established by the IFTA Articles of Agreement pursuant to Article R1810.200.020. The purpose of the AC is to review and maintain the IFTA Audit Manual, and to complete other responsibilities assigned to it by the International Fuel Tax Association, Inc. (IFTA, Inc.) Board of Trustees (Board).

- III. **COMMITTEE RESPONSIBILITIES:** The AC is responsible for reviewing the IFTA Audit Manual and making recommendations for changes as needed, and other duties assigned to it by the Board. Additionally the AC is responsible for:
 - A. advising the IFTA membership regarding audit matters;
 - B. planning and conducting an annual audit workshop;
 - C. reviewing and commenting on ballot proposals,
 - D. reviewing and preparing responses for consensus board interpretation drafts referred to it by the Board,
 - E. developing ballot proposals and Board interpretation requests,
 - F. maintaining a committee member rotation chart,
 - G. recruiting members and maintaining a list of potential committee members,
 - H. making recommendations to the Board to fill committee vacancies; and
 - I. maintaining the IFTA Best Practices Audit Guide.

- VI. **MEMBERSHIP:**
 - A. In accordance with Article Six of the IFTA, Inc. Bylaws, the chair of the AC shall be appointed by the president of IFTA, Inc., with the approval of the Board. A recommendation for appointment will be submitted by the AC.
 - B. In accordance with Article Six of the IFTA, Inc. Bylaws, the chair shall select the committee members subject to the approval of the Board.
 - C. The members of the AC will select a vice-chair subject to the approval of the Board.
 - D. The AC, with approval of the Board, may establish the number of committee members, the number of representatives from each of the five geographic regions outlined in Appendix A of the IFTA, Inc. Bylaws and the number of at large members that will serve as members of the AC.

- E. The past chair of the AC may serve as an ex-officio member of the AC for two (2) years, and shall be a non-voting member.

V. TERM LIMITS

- A. AC members may serve no more than three (3) complete two-year consecutive terms.
- B. An AC member's term shall be from March 1st through February 29th.
- C. An AC member shall serve no more than one complete two-year term as chair.
- D. An AC member shall serve no more than one complete two-year term as vice-chair.
- E. The term limit of an AC member serving as chair or vice-chair will automatically extend, if necessary, to the end of the term of service as chair or vice chair.
- F. An exception to the term limit may be granted by the Board.
- G. An AC member having completed three (3) two-year consecutive terms may serve again on the AC if a complete two-year term has passed following that committee member's previous service.

VI. SUBCOMMITTEES: The AC may, with the approval of the board liaison, establish subcommittees to review specific issues before the AC. Such subcommittees shall report results to the AC for consideration.

VII. VACANCIES:

- A. The AC chair shall select a replacement for a vacancy occurring on the AC, subject to the approval of the Board. A committee member elected to fill a vacancy shall serve the unexpired term of his or her predecessor. The completion of the unexpired term by such committee member shall not be deemed as one of the two-year terms described in Section V.A.
- B. Should the chair vacate the position prior to end of a full two-year term, the vice chair shall assume the chair and the AC shall select a new vice chair as set forth in Section IV.C. Both the new chair and vice chair shall serve the unexpired term of his or her predecessor. The completion of the unexpired term as chair and vice-chair by such committee members shall not be deemed as one of the two-year terms described in Section V.C. and V.D.

CHARTER AMENDMENT: Amendments to this charter may be submitted to IFTA, Inc. by any member of the AC. IFTA, Inc. shall circulate the proposed charter amendments to the members of the AC. The AC may recommend to the Board amendments to this charter. The proposed amendments will be considered by the Board.