

**IFTA Audit Committee
New Member Orientation Guide**

Information to Assist a New Member of the IFTA Audit Committee

IFTA, Inc.

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**INTERNATIONAL FUEL TAX
ASSOCIATION, INC.**
Manages
The International Fuel Tax Agreement

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Chapter 1 **Welcome**

It is our pleasure to welcome you as a new member of the International Fuel Tax Agreement (IFTA) Audit Committee. You have joined a team of professionals and we value your input as we continue to build upon our success working as a team. With joint efforts, healthy exchanges of ideas and opinions, we will continue to deliver the highest level of work.

Who We Are and What We Do

The Audit Committee was originally established by the IFTA Articles of Agreement and the Bylaws of IFTA, Inc. Its first formal charter was written and approved by the Board in April 1998. The Committee membership is comprised of representatives from each of the five geographic regions, Board liaisons, Committee Chair, Committee Vice-Chair, and Ex-Officio.

At its inception, the Audit Committee was tasked with the review, maintenance of the Audit Manual and any other assignments as issued by the IFTA, Inc. Board of Trustees. As the Audit Committee has evolved, additional responsibilities have been added. These include facilitating jurisdictions with auditing matters; creating, reviewing and commenting on preliminary proposed ballots; providing support for subcommittees established with the committee; and overseeing the Annual Audit Workshop. In order to accomplish all of this, Committee members are asked to attend monthly teleconference calls and the annual Committee meeting the day after the Audit Workshop ends.

Chapter 2 **Regional Designations**

<u>Canadian</u>	<u>Northeast</u>	<u>Western</u>	<u>Midwest</u>	<u>Southeastern</u>
Alberta	Connecticut	Alaska*	Illinois	Alabama
British Columbia	District of Columbia*	Arizona	Indiana	Arkansas
Manitoba	Delaware	California	Iowa	District of Columbia
New Brunswick	Maine	Colorado	Kansas	Florida
Newfoundland/Labrador	Massachusetts	Hawaii*	Michigan	Georgia
Northwest Territories	Maryland	Idaho	Minnesota	Kentucky
Nova Scotia	New Hampshire	Montana	Missouri	Louisiana
Ontario	New Jersey	Nevada	Nebraska	Mississippi
Prince Edward Island	New York	New Mexico	North Dakota	North Carolina
Quebec	Pennsylvania	Oregon	Ohio	South Carolina
Saskatchewan	Rhode Island	Texas	Oklahoma	Tennessee
Yukon Territory	Vermont	Utah	South Dakota	Virginia
		Washington	Wisconsin	West Virginia
		Wyoming		

*** Alaska, Hawaii, and the District of Columbia are not member jurisdictions.**

The Five Geographic Regions



Chapter 3

International Fuel Tax Agreement (IFTA) Audit Committee Charter

(Approved, February 2015)

- 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. in the discharge of its responsibilities, seeking input from other committees formed pursuant to the IFTA;
 - C. planning and conducting an annual audit workshop;
 - D. reviewing and commenting on ballot proposals;
 - E. reviewing and preparing responses for consensus board interpretation drafts referred to it by the Board;
 - F. developing ballot proposals and Board interpretation requests;
 - G. maintaining a committee member rotation chart;
 - H. recruiting members and maintaining a list of potential committee members;
 - I. making recommendations to the Board to fill committee vacancies;
 - J. maintaining the IFTA Best Practices Audit Guide; and
 - K. maintaining a New Member Guide.
- IV. **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. The chair will be a voting member of the AC and will be in addition to the other voting members.
 - 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.
- VIII. **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.

Chapter 4

Audit Workshop

Each year the IFTA Audit Committee in partnership with the IRP Audit Committee continues the commitment to provide training in the areas of fuel use tax and vehicle apportionment auditing. Using combined experiences, the development of this workshop offers an exciting and informative way of providing training. This workshop is a collaboration of efforts from both communities (IFTA and IRP) in concert with industry. The workshop presentations are based on the formula developed and perfected through recent workshops. There is a mix of General Session presentations and Breakout Sessions. The General Session offers several timely and interesting topics that impact auditors and industry representatives in a variety of ways. The breakout sessions offer more training by experienced personnel and touch upon concerns facing today's auditors. The workshop attendee's will take away valuable knowledge from this very informative experience.

Each year many months of planning go into making the Audit Workshop a success. Immediately following the current year's workshop, both Audit Committees begin planning for the next Audit Workshop by reviewing the evaluations submitted by the participants. A list of possible topics is gathered and discussed.

Beginning in March, the Workshop Planning Committee which is comprised of the Chairs and Vice Chairs of both the IFTA and IRP Audit Committees, representative from the Industry Advisory Committee, two representatives from IFTA Inc., representative from IRP Inc., materials

coordinator, and a breakout coordinator start participating in teleconference calls. The Planning Committee is responsible for coordinating the workshop with IFTA, Inc. They are also responsible for setting the agenda, planning the topics to be covered, and gathering volunteers to create and present the materials for the workshop. Most of the volunteers come from the IFTA and IRP Audit Committees. Some of the volunteers are from the IFTA and/or IRP communities and industry. By August, the volunteers begin writing the materials that will be presented in the workshop. The more generalized topics will be discussed in the General Session while the more specific; interactive topics are created for the Breakout Sessions. The individuals presenting the General Session topics create the material to be used. The facilitators for the Breakout Sessions are not necessarily the creators of the material. Because of the time limitations, it is important for the individuals creating the materials for each breakout session to start communicating and coordinating with each other by August.

Chapter 5

Audit Committee Meetings

Every year the Audit Committee has an all-day committee meeting after the Audit Workshop. It is scheduled for the day following the workshop. This meeting is a chance for us to meet in person as a group. We discuss the accomplishments of the previous year and set goals for the current year. Audit Committee member's expenses for the meeting including hotel, airfare and meals are paid for by IFTA, Inc.

All other meetings for the year are held by teleconference. Various topics are discussed during a conference call. Usually updates are given from sub committees. Updates are given by the Chair or Vice Chair regarding the Audit Workshop plans. This will also be the time that ballots are discussed. Usually the date and time of the next meeting is established at the end of each month's conference call. Each month the Chair will email the committee members the date, time, agenda, phone number, and access code for the conference call.

Ballots

Proposals for amendment of the Agreement, Procedures Manual, or Audit Manual may be made by any member jurisdiction, the Audit Committee, the Agreement Procedures Committee, the Law Enforcement Committee, the Program Compliance Review Committee, or the Board of Trustees of the Association. The AC is responsible for reviewing, developing, and commenting on preliminary proposed ballots and providing support for subcommittees. As an AC member, ballot work is an important part of your participation, and you may be asked to assist in the ballot process. Ballots sponsored by the AC, generally will address sections of the Audit Manual; however, changes to the Audit Manual may require changes to the Articles of Agreement as well as the Procedures Manual. Please keep in mind that you represent a region of jurisdictions, not just your own personal jurisdiction. Ballots should be approached without jurisdictional bias and are created with the whole membership and industry in mind. The ballot process is addressed in the Articles of Agreement, Article XVI.

Best Practices Audit Guide

The AC has the responsibility for the creation and maintenance of the Best Practices Audit Guide. The Guide was created as a reference tool used by member jurisdictions and its auditors in conducting IFTA audits. As a member of the AC, you may be asked to edit, create, update, and/or offer your comments for suggested changes to the Audit Guide. It is also your responsibility to review the guide for possible changes as new ballots are presented and passed during the year. Discussions during audit meetings and sessions at the annual Audit Workshop

often refer back to sectional material referenced within the guide. As an AC member, it is strongly recommended that you become familiar with this document and its contents.

Travel Reimbursement for Committee Meetings

Travel expenses may be paid if approved by the IFTA, Inc Board of Trustee for one committee meeting each year.

Chapter 6 **Secure Website**

IFTA, Inc. has added secure areas on the website for the following committees:

- Agreement Procedures Committee
- Audit Committee
- Attorney's Section Steering Committee
- Dispute Resolution Committee
- Law Enforcement Committee
- Program Compliance Review Committee

Each area requires the user to login to the IFTA, Inc. website at www.iftach.org.

Logging into the website gives an Audit Committee member access to the private Message Board. As a member, you will also have access to the Communication Lists, Program Compliance Final Reports, and Important Information. If you have not received an email from IFTA, Inc. to set up your user name and password, contact IFTA, Inc Webmaster at tking@iftach.org.

More of these secure levels are in development and will be announced in The IFTA News when available.

Chapter 7 **Board of Trustees and Committees**

For a complete list of the Board of Trustees and other IFTA committees refer to the IFTA, Inc. website at www.iftach.org.