

# IFTA Program Compliance Review

## JURISDICTION OF BRITISH COLUMBIA FINAL DETERMINATION FINDING OF NON-COMPLIANCE

This Final Determination Finding of Non-Compliance (“Finding”) is issued to the jurisdiction of British Columbia by the Program Compliance Review Committee (“PCRC”). The PCRC is a standing committee of the International Fuel Tax Association, Inc. as defined by the International Fuel Tax Agreement (“IFTA”). British Columbia has failed to comply with the provisions of the Agreement cited herein.

Non-Compliance History:

### 2021-2025 Non-Compliance Issue:

#### A250 NUMBER OF AUDITS

Base jurisdictions will be held accountable for audits and will be required to complete audits of an average of 3 percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction’s IFTA implementation year. Such audits shall cover at least one license year. This does not preclude audits of individual licensees several times during the program compliance review period. However, audits of a single licensee that cover multiple license years, fuel types, or both shall be counted as one audit for program compliance review purposes.

#### Discussion:

British Columbia did not meet the 3% requirement. British Columbia was required to complete 247 audits during the review period and completed 244, a shortage of 3 audits. British Columbia did not process records reviews this review cycle.

#### A260 SELECTION OF AUDITS

The following guidelines shall be used in selecting audits to fulfill the IFTA auditing requirements:

.100 Low-Distance/High-Distance Accounts Requirement

At least 15 percent of each member jurisdiction's audit requirement shall involve low-distance accounts. Low-distance accounts are considered to be the 25 percent of the previous year's licensees who had the lowest number of miles/kilometers reported in all member jurisdictions. At least 25 percent of each member jurisdiction's audit requirement shall involve high-distance accounts. High distance accounts are considered to be the 25 percent of the previous year's licensees who had the highest number of miles/kilometers reported in all member jurisdictions.

#### Discussion:

British Columbia did not meet the high-distance 25% requirement. British Columbia was required to complete 64 high-distance audits during the review period and completed 62, a shortage of 2 high-distance audits.

### 2015 – 2019 Non-Compliance Issues

#### \*A250 NUMBER OF AUDITS

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Base jurisdictions will be held accountable for audits and will be required to complete audits of an average of 3 percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year. Such audits shall cover all of the returns that were filed or required to be filed during a license year or shall cover at least four (4) consecutive quarters. This does not preclude audits of individual licensees several times during the program compliance review period. However, audits of an Audit Manual Audit Program Standards Page 5 of 11 single licensee that cover multiple license years, fuel types, or both shall be counted as one audit for program compliance review purposes.

### **Discussion:**

British Columbia did not meet the 3% requirement. Based on British Columbia's election to omit 2020 for 3%, it was required to complete 185 audits during the review period and completed 181, a shortage of 4 audits, for an average of 2.93%.

### **A260 SELECTION OF AUDITS**

The following guidelines shall be used in selecting audits to fulfil the IFTA auditing requirements:

#### **.100 Low-Distance/High Distance Accounts Requirement**

At least 15 percent of each member jurisdiction's audit requirement shall involve low-distance accounts. Low-distance accounts are considered to be the 25 percent of the previous year's licensees who had the lowest number of miles/kilometers reported in all member jurisdictions. At least 25 percent of each member jurisdiction's audit requirement shall involve high-distance accounts. High-distance accounts are considered to be the 25 percent of the previous year's licensees who had the highest number of miles/kilometers reported in all member jurisdictions.

### **Discussion:**

British Columbia did not meet the 25% high-distance audit requirement. Based on British Columbia's election to omit 2020 for 3%, it was required to complete 47 high-distance audits and completed 44, a shortage of 3 audits, for an average of 24.3%.

### **Finding**

Due to British Columbia's failure to comply with A250 3% requirement of the IFTA Audit Manual in two (2) consecutive Review Periods, and failure to comply with the A260 high-distance 25% requirement in two (2) consecutive review cycles, the Program Compliance Review Committee has issued a Final Determination Finding of Non-Compliance pursuant to the IFTA Program Compliance Committee Review Guide, Section III.B, and Articles of Agreement, Section R1555. These matters will be referred to the Dispute Resolution Committee to be heard as a dispute with a copy to the Executive Director of IFTA, Inc for notification to all member jurisdictions.

ISSUED THIS 26th DAY OF February 2026.

  
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Jody Isaak (ND), PCRC Chair