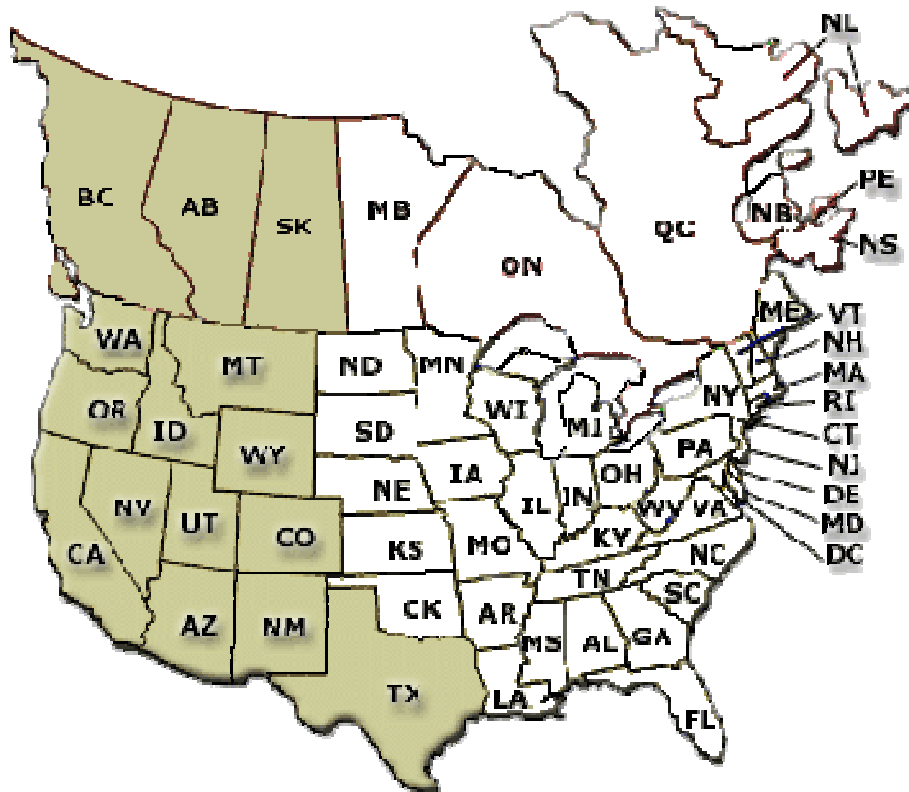


# IFTA Program Compliance Review Committee Member Guide



Committee:  
Responsibilities  
Best Practices/Procedures for  
Completing your Review

### **Committee Responsibilities:**

This committee has the responsibility of maintaining the IFTA Program Compliance Review Guide, establishing and maintaining a pool of qualified individuals to conduct compliance reviews, reviewing all program compliance review reports to determine any needs for follow-up and/or reassessment and evaluating compliance and non-compliance findings, assigned duties and responsibilities specified by IFTA or by the Board of Trustees.

Following the completion of a Review, the Program Compliance Review (PCR) Report and any supporting documents/correspondence will be posted on the Program Compliance Review Committee message board. PCR panel members will be notified when a Review assigned to them is available for review.

### **Instructions for Completing a Review**

It is your responsibility to:

1. Understand a jurisdiction's requirements as established by the three governing documents of IFTA;
2. Read and understand the non-compliance issues determined by the review team as presented in the Program Compliance Review Report and accompanying documents;
3. Determine whether the review was conducted consistently with other review(s) [each review is conducted using the same review worksheets, therefore it is this committee's duty to be certain that each requirement is addressed in a uniform manner];
4. Determine if the jurisdiction response(s) adequately address report findings and no further work is necessary [if no further work is necessary, a recommendation to take "No Action" should be provided].
5. Determine if a follow-up is necessary. A "Follow-up" recommendation should be given for non-compliance issues that the jurisdiction may satisfy by providing evidence of compliance. [The goal of a Follow-Up is to obtain verification of compliance from a jurisdiction based on the jurisdiction response – i.e. Jurisdiction states that they have added an Internal Control Evaluation form to their audit package. A Follow-Up would require that the jurisdiction provide a copy of the Internal Control Evaluation form for inclusion in the Compliance Review Report]. The Panel member's recommendation for follow-up should include the requirements for compliance, documentation required to determine compliance (if needed), and the target completion date:

***NOTE: Upon receipt of the Follow-Up documentation, the Committee Panel will determine if the jurisdiction is now in compliance. If not, the Chair of the PCRC shall proceed with the Reassessment***

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6. Determine if a reassessment is necessary [A “Reassessment” recommendation is only for non-compliance issues that the jurisdiction either fails to comply with, or has not complied with in past reviews. If reassessment is recommended, the Chair and Vice Chair will develop a Reassessment plan and timeline. See Program Compliance Review Guide for additional information concerning the Reassessment Process];

***NOTE: A non-compliance issue is either satisfied by the jurisdiction response, OR deemed to be a Follow-Up issue OR deemed to be a Reassessment issue, but not both.***

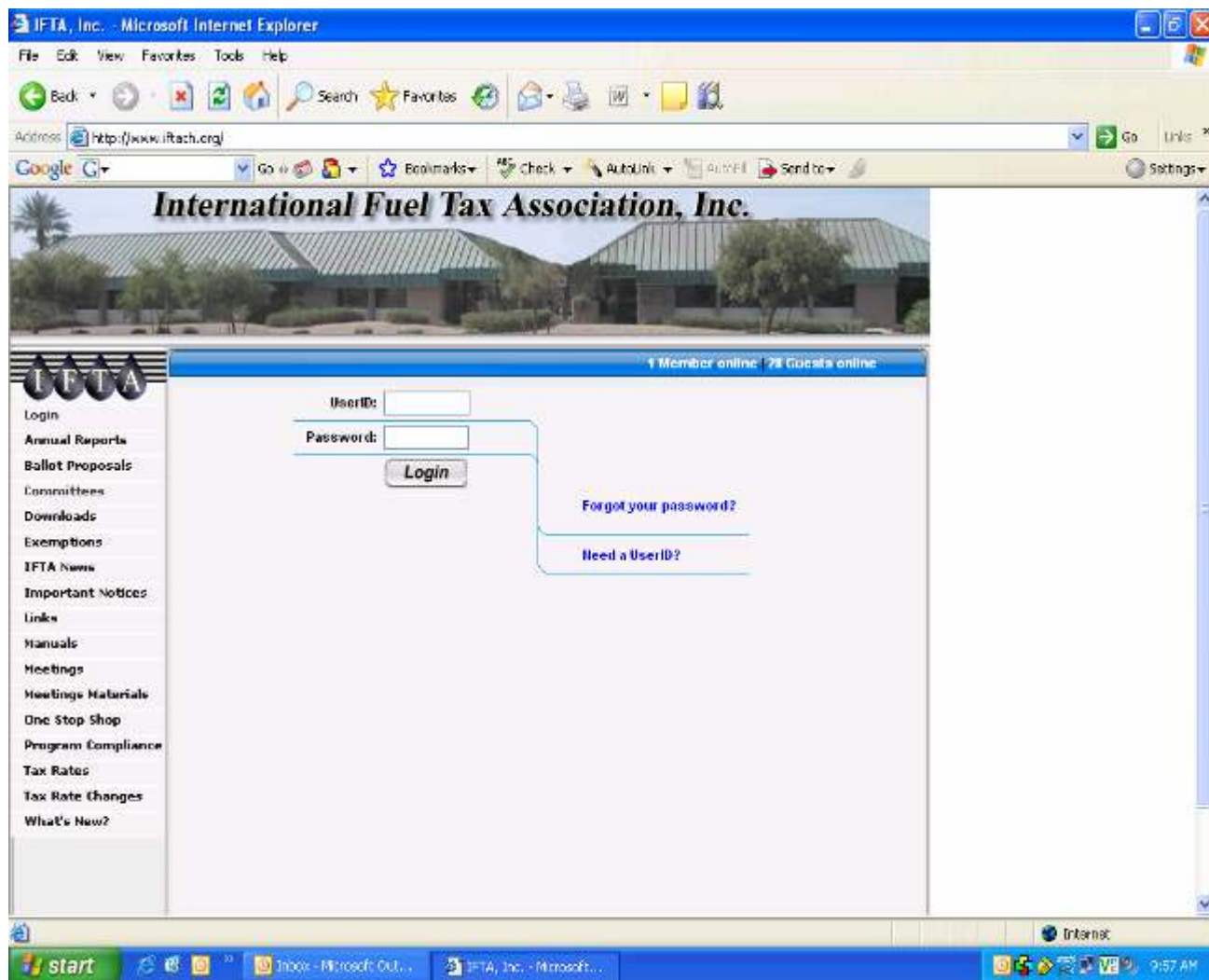
The Program Compliance Review Committee message board should be utilized to post all comments related to the jurisdiction’s non-compliance finding and the panel member recommendations.

**Login instructions:**

Go to the International Fuel Tax Association, Inc. website: [www.iftach.org](http://www.iftach.org).

Select *Login* and enter your *UserID* and *Password* assigned by IFTA, Inc. for the PCRC Message Board. If you are unsure of your used id and/or password, click on *Forgot your password?* and an email will be sent to you with all of your IFTA, Inc. website login information.

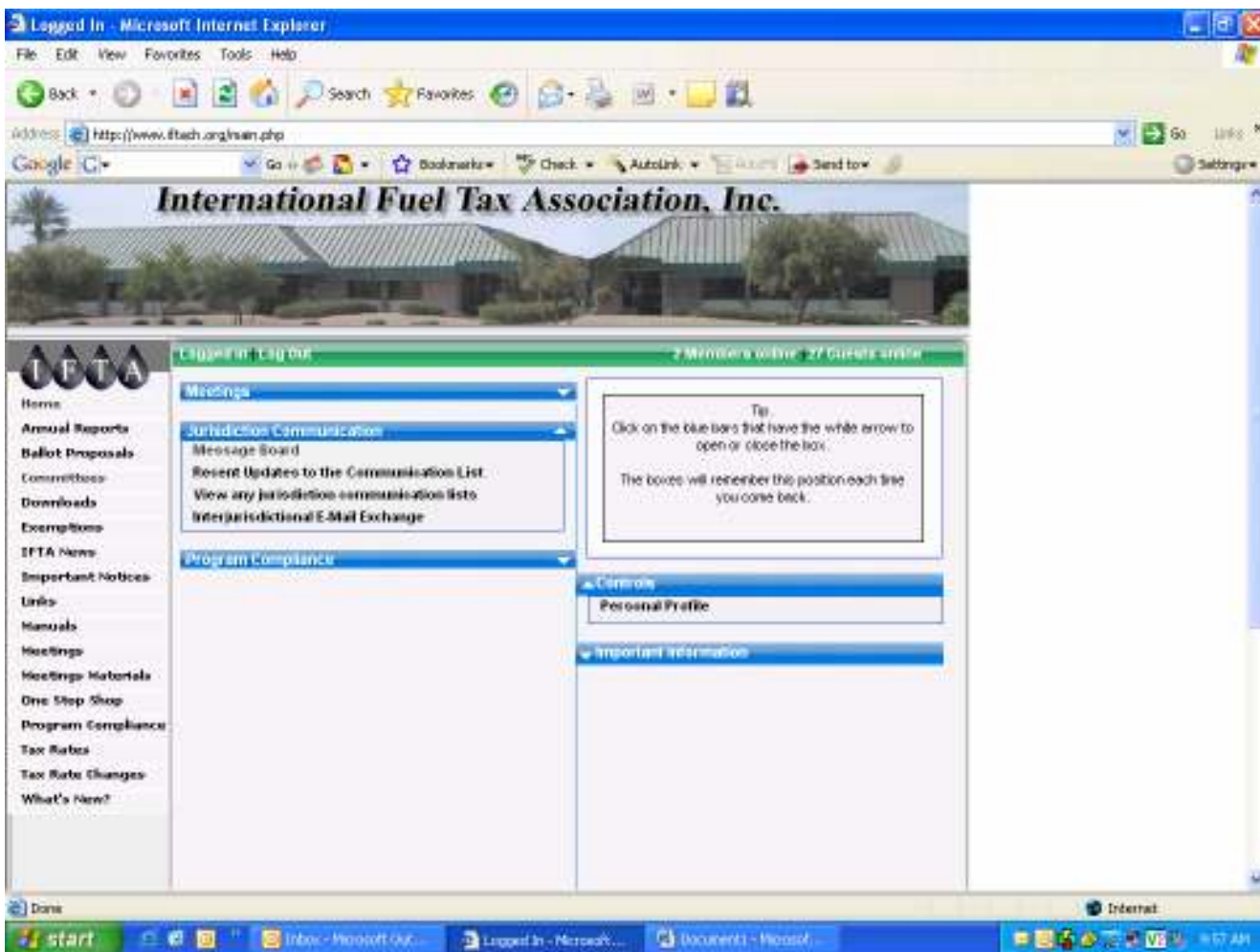
Click on *Login*.



## IFTA Program Compliance Review Committee Member Guide

If you have successfully logged in, you should see the following PCR Committee webpage.

Click on *Message Board*.



## IFTA Program Compliance Review Committee Member Guide

You should see the following page that includes the Message Board forums.

Select *PCRC Reports*.



The screenshot shows a Microsoft Internet Explorer browser window displaying the International Fuel Tax Association (IFTA) website. The browser's address bar shows the URL <http://www.ifta.org/main.php>. The website header features the IFTA logo and a banner image of a large building. Below the banner, a navigation menu on the left lists various site sections, including Home, Annual Reports, Ballot Proposals, and Program Compliance. The main content area is titled "Message Board" and includes a "Who's Online" section showing 2 Members and 27 Guests. A table lists forum topics with columns for Forum, Subjects, Views, Messages, and Last Post. The table contains three entries: "SCRC Reports", "Fuel Member Assignments", and "Welcome to the Forum".

Forum	Subjects	Views	Messages	Last Post
SCRC Reports	5	500	27	2007-07-31 12:19:56 By Joseph Bhan
Fuel Member Assignments	1	30	1	2007-07-11 11:43:05 By Selora Melton
Annual PCRC Meeting	1	51	4	2007-07-11 08:01:48 By Wayne Brown
Welcome to the Forum	2	91	4	2007-05-01 12:24:21 By Wayne Brown

## *IFTA Program Compliance Review Committee Member Guide*

Select the jurisdiction to which you have been assigned to review. See Panel Member Assignments document.



The screenshot shows a Microsoft Internet Explorer browser window displaying the IFTA website. The page title is "International Fuel Tax Association, Inc." and the URL is "http://www.ifta.org/main.php". The user is logged in as "Jay Staring". The main content area displays a forum thread titled "Program Compliance Review Committee" with a sub-header "What's Doing". The forum lists several threads for review, each with a subject, thread starter, jurisdiction, replies, views, and last post date.

Subject	Thread Starter	Jurisdiction	Replies	Views	Last Post
• Alberta Review	Debra Meise	Program Compliance Review Committee	5	80	2007-08-07 15:17:12 By Cathy Beville
• New Mexico	Debra Meise	Program Compliance Review Committee	5	66	2007-08-07 15:08:19 By Cathy Beville
• Arizona Review	Debra Meise	Program Compliance Review Committee	6	56	2007-08-07 14:16:30 By Cathy Beville
• Texas Review	<a href="#">Debra Meise</a>	Program Compliance Review Committee	9	322	2007-07-13 05:53:22 By Brenda Brandt

## IFTA Program Compliance Review Committee Member Guide

Select the *Final Report* link.

The jurisdiction's compliance review report should be displayed.

*Additional Documentation*, if available, will also be provided as a link.



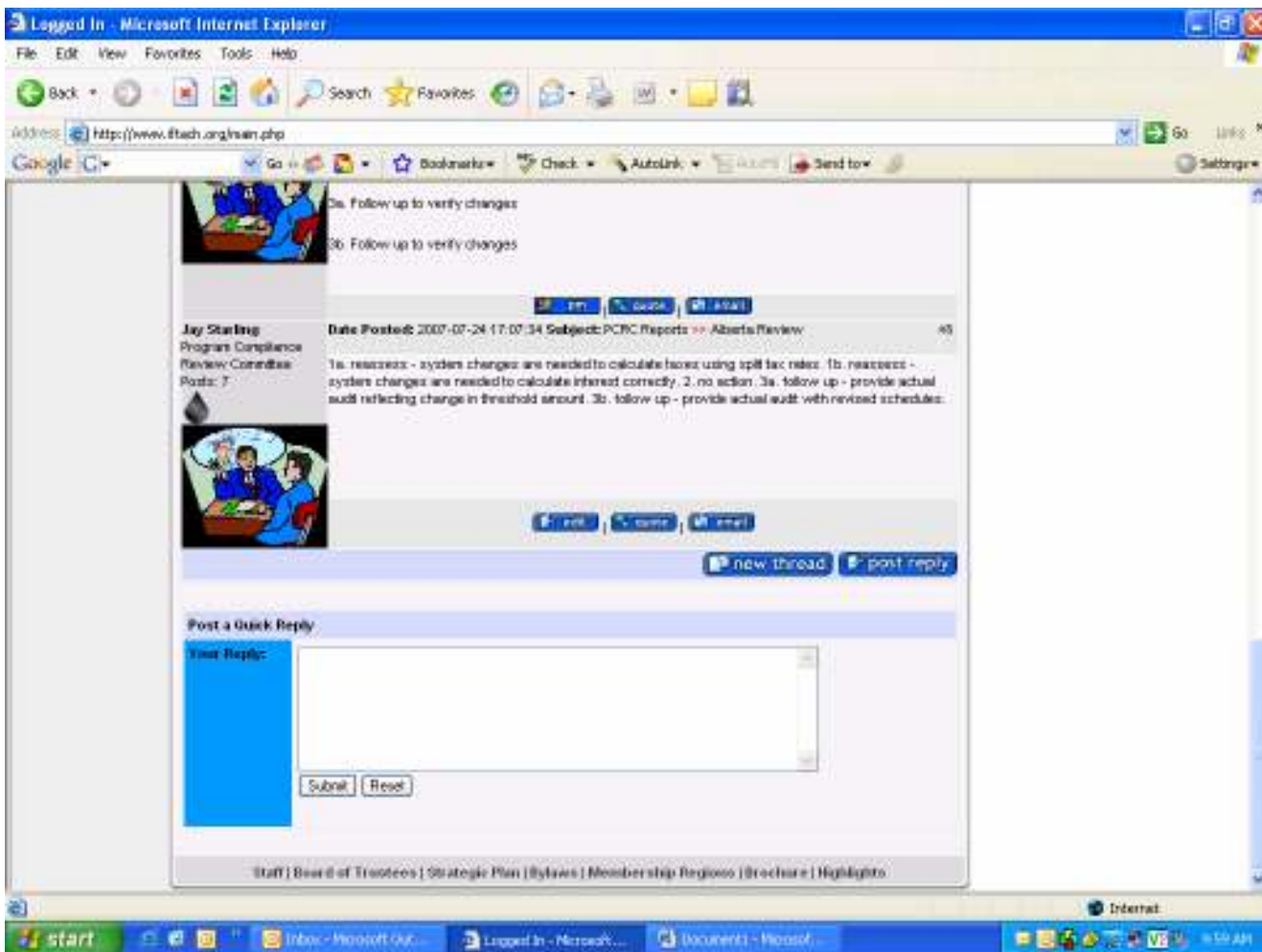
The screenshot shows a Microsoft Internet Explorer browser window displaying the IFTA website. The browser's address bar shows the URL <http://www.ifta.org/main.php>. The website header features the IFTA logo and the text "International Fuel Tax Association, Inc." Below the header, a navigation menu on the left lists various sections: Home, Annual Reports, Ballot Proposals, Committees, Downloads, Exemptions, IFTA News, Important Notices, Links, Manuals, Meetings, Meetings- Historicals, One-Stop Shop, Program Compliance, Tax Rates, Tax Rate Changes, and What's New? The main content area displays a forum thread titled "PCRC Reports >> Alberta Review". The thread is started by Bobora Meise, a member of the Program Compliance Review Committee, on 2007-07-11 12:16:18. The subject of the thread is "PCRC Reports >> Alberta Review". The post content includes a message to John, Brenda, and Stuart, asking for recommendations by July 25, 2007, and a link to "AB Final Report". Below the main post, there is a link for "Additional AB Documentation". The thread is edited on 2007/07/11 14:45:00. A second post by John Szilagyi, also a member of the Program Compliance Review Committee, is dated 2007-07-16 12:41:22 and mentions responses to non-compliance issues.



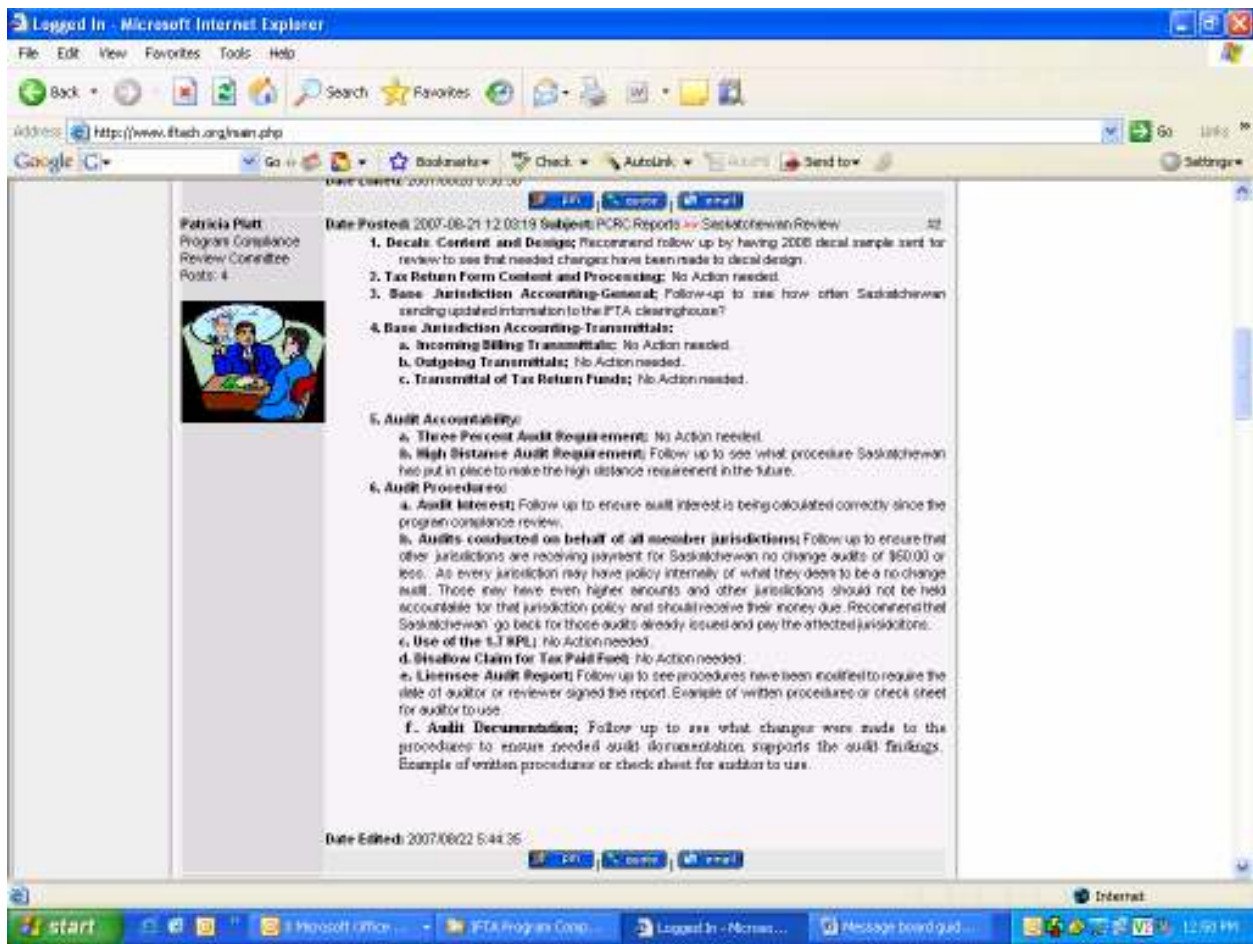
## IFTA Program Compliance Review Committee Member Guide

When the report and documentation has been reviewed, each panel member should provide recommendations using the *Post Reply* feature.

A *Quick Reply* may also be used to post recommendations, or panel members may respond directly to the author or another panel member's reply using the *Email* feature. Note: in the Quick Reply, there are no edit functions to the text posted, i.e. spell check, bolding, etc...



The following screen shot is an example of a panel member's reply.



A panel member's reply should restate the jurisdiction's non-compliance issue, recommend the appropriate action (i.e. "follow up") and provide a measurable recommendation for follow-up or reassessment action. The measurable action should include a deadline.

If the non-compliance issue requires a follow-up, the PCRC chair and vice chair will review the recommendations of the panel members and prepare a "proposed compliance plan" and follow-up letter (attached). The "proposed compliance plan", follow-up letter and jurisdiction's PCR report will be submitted to the subject jurisdiction. Any follow-up documentation and/or responses received from the jurisdiction will be posted to the message board.

2007 Jurisdiction IFTA Program Compliance Review  
July 31 – August 2, 2007  
Follow-up

**PROPOSED COMPLIANCE PLAN**

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I. **Issues for Follow-up from Final Program Compliance Review Report (including Jurisdiction's Responses)**

1. TAX RETURN FORM CONTENT AND PROCESSING

b. Tax Return Interest

The IFTA Articles of Agreement, Section R1230, provides in part: "The base jurisdiction, for itself Motor Carrier and on behalf of the other jurisdictions, shall assess interest on all delinquent taxes due each jurisdiction except taxes collected directly by other jurisdictions in accordance with IFTA Procedures Manual Sections P1000 and P1120.300...."

**Tax Return Interest Discussion**

Eighty-seven (87) tax returns were reviewed and checked against the transmittals. Interest due was not calculated by the ACS system and was not transmitted for one (1) tax return that was postmarked after the due date.

**Jurisdiction Response to Tax Return Interest Discussion**

Jurisdiction will take the appropriate action to ensure that interest is calculated correctly.

II. **Request for Update**

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**NOTE: All information forwarded to IFTA, Inc. should be addressed to the attention of the Program Compliance Review Committee.**

1. TAX RETURN FORM CONTENT AND PROCESSING

b. Tax Return Interest

<b>ACTION</b>	<b>DUE DATE</b>
Provide detailed response regarding why interest was calculated incorrectly in this instance and how jurisdiction has addressed this issue.	March 31, 2008

<b><u>SUBMITTED BY:</u></b>  NAME, Chair IFTA Program Compliance Review Committee  Date: _____	<b><u>APPROVED BY:</u></b>  IFTA Commissioner Jurisdiction  Date: _____
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IFTA Program Compliance Review  
Proposed Compliance Plan  
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**SENT VIA EMAIL**

February 5, 2008

IFTA Commissioner  
Jurisdiction Department of Licensing  
Prorate and Fuel Tax Services  
P.O. Box 1234  
Anywhere, USA 12345-1234

Re: 2007 IFTA Program Compliance Review

Dear IFTA Commissioner:

Attached please find the Final Report of your jurisdiction's IFTA Program Compliance Review. The Program Compliance Review Committee reported that the Final Report and jurisdictional responses thereto had been reviewed and a determination made that Follow-up was warranted on:

- **TAX RETURN FORM CONTENT AND PROCESSING – Tax Return**

A Proposed Compliance Plan has been prepared and is attached for your review and approval. If you approve of the plan as proposed, please sign the enclosed copy and return it to the following address:

International Fuel Tax Association, Inc.  
912 W. Chandler Blvd., B-7  
Chandler, AZ 85225-4910  
480-839-4382 / 480-839-8821 FAX

If you wish to propose changes, please do so and return it for review by March 31, 2008.

Please contact me if you have any questions.

Sincerely,

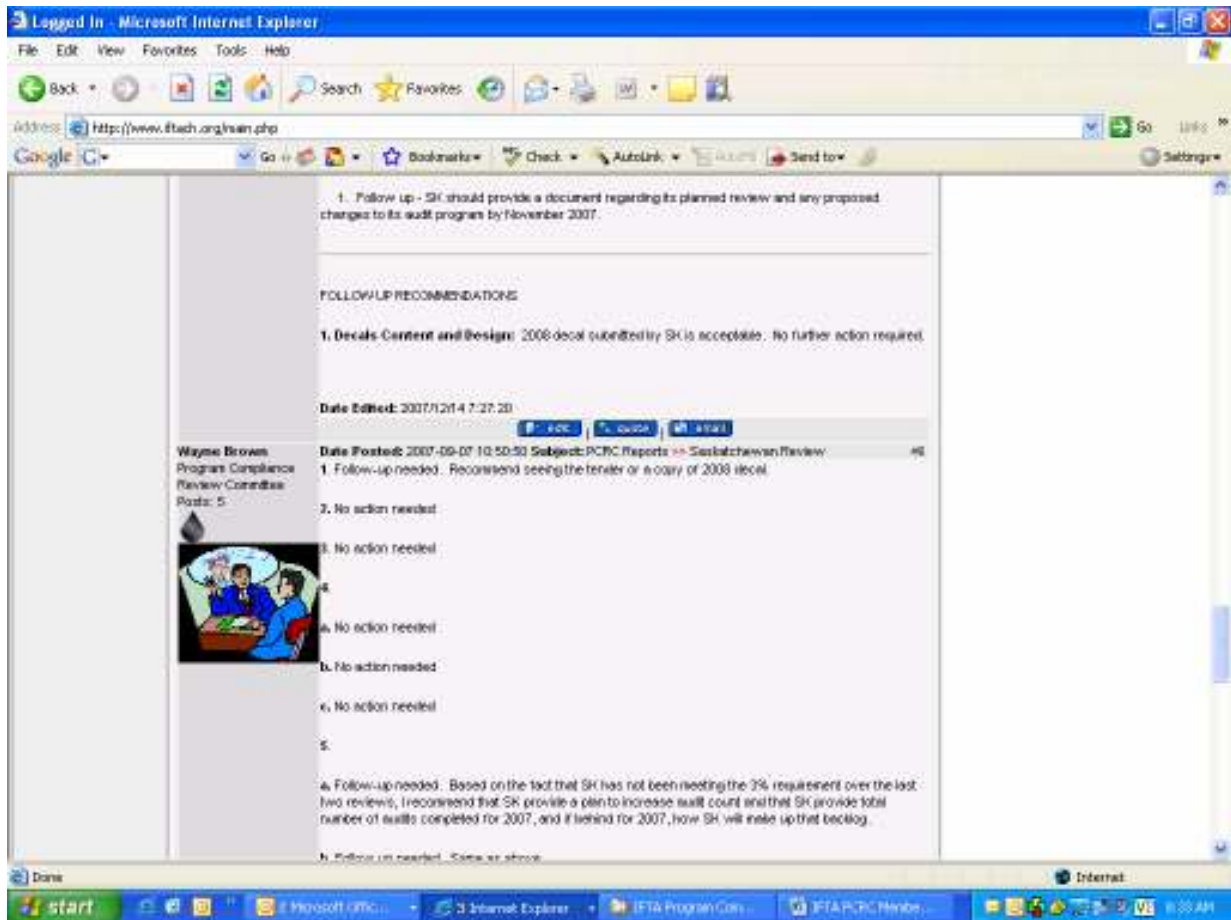
**NAME**, Chair  
IFTA Program Compliance Review Committee  
**Email address here**  
(334) 242-9078

Attachments

Cc: **PCRC Vice Chair**  
**IFTA, Inc. Program Director**

## IFTA Program Compliance Review Committee Member Guide

Panel members will be notified regarding the follow-up assignment and deadline for posting their responses/recommendations to the message board. A panel member's reply should be included on their original response. Click the "edit" button, insert a line using the "horizontal rule" icon, restate the jurisdiction's non-compliance issue, recommend the appropriate action (i.e. "no further action") and provide a measurable recommendation for follow-up or reassessment action, if necessary.



If the subject jurisdiction is found to be in compliance, the PCRC chair or vice-chair will prepare a PCR close-out letter (attached). The PCR close-out letter will be submitted to the subject jurisdiction and posted to the message board.

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SENT VIA EMAIL

August 20, 2007

IFTA Commissioner  
Jurisdiction Department of Transportation  
Motor Carrier & Tax Services  
P.O. Box 1234  
Anywhere, USA 12345

Re: 2007 IFTA Program Compliance Review Follow-Up

Dear IFTA Commissioner:

The IFTA Compliance Review Committee has reviewed the information forwarded to us regarding the above-referenced matter. Based on the information provided to the Committee, we have determined that no further action needs to be taken and the compliance review will be closed. Any follow-up issues will be reviewed again during your jurisdiction's next scheduled compliance review to ensure continued compliance.

Thank you again for your cooperation in this matter.

Sincerely,

**NAME**, Chair  
IFTA Program Compliance Review Committee  
**Email address here**  
(334) 242-9078

Cc: **PCRC Vice Chair**  
**IFTA, Inc. Program Director**

## *IFTA Program Compliance Review Committee Member Guide*

If the non-compliance issue has not been resolved, additional follow-up may be requested by the panel members, or the panel may recommend that the reassessment process may begin in accordance with Program Compliance Review Guidelines.

In order for a Reassessment recommendation to go forward, a majority of the five (the three Panel members, the Chair and the Vice Chair) must agree with the recommendation. Committee member recommendations should be posted to the message board. Either the Chair or the Vice Chair must be part of the majority. The chair or vice-chair will prepare and submit a reassessment plan and timeline to be provided to the subject jurisdiction. This plan and any correspondence will be posted to the message board.

Upon bringing its program into compliance, the subject jurisdiction will provide a letter of verification of compliance. The verification letter will be sent to IFTA Inc., posted to the PCRC message board and disseminated to all member jurisdictions as proof of compliance.

If the subject jurisdiction fails to bring its program into compliance as required by the reassessment plan, a report of non-compliance will be filed by the chair or vice-chair. The report will be posted to the message board, provided to the subject jurisdiction, member jurisdictions and the PCR team.

Based on the report, two-thirds of the full Committee must determine whether to make a Final Determination Finding of Non-Compliance. Committee member recommendations will be posted to the message board. If the committee determines that a Final Determination Finding of Non-Compliance should be issued, the committee chair or vice-chair will prepare and send a letter to the IFTA Commissioner, agency head through which the fuel use taxes are collected pursuant to the IFTA, and to the Governor or Premier of the subject jurisdiction. All documentation will be posted to the message board.

Following the issuance of a Final Determination Finding of Non-Compliance, the Committee may seek expulsion of the subject jurisdiction by referring the matter to the Dispute Resolution Committee.