

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL #03-2026

Sponsor

IFTA Audit Committee

Date Submitted

April 14, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

Audit Manual A420 Notification

Subject

Amend IFTA Audit Manual Section A420.200 to clarify that the submission of requested records prior to the proposed audit start date may be reasonably interpreted as licensee consent to begin the audit within the 30-day notification period.

History/Digest

Section A420.200 currently allows the base jurisdiction to initiate the audit within the 30-day notification period if there is agreement from the licensee or "for just cause". However, audit practices vary regarding whether proactive submission of records is deemed "agreement" sufficient to proceed before the required notification expires. This inconsistency leads to uncertainty and potential conflict in audit initiation procedures. The proposed addition to section A420.200 promotes transparency and consistency.

Intent

The intent of this amendment is to remove ambiguity regarding what constitutes "agreement from the licensee" in A420.200. By expressly recognizing that submission of the requested records prior to the proposed start date may be "reasonably interpreted as consent," jurisdictions gain a clear and documented basis for exercising early audit initiation when warranted.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

- 1 Audit Manual
- 2 A420 NOTIFICATION
- 3
- 4 .100 The licensee should be contacted at least 30 days prior to the conduct of an audit. Through the initial
- 5 or subsequent audit contacts, the licensee must be advised of the audit period, the type of records to be
- 6 audited, and the proposed audit start date.
- 7
- 8 .200 The base jurisdiction may begin the audit within the 30 day notification period ~~with agreement from~~ if
- 9 the licensee **consents, the licensee provides requested records**, or ~~for a jurisdiction finds~~ just cause.