



International Registration Plan, Inc.

**IRP
Records Review
Best Practice Document**

IRP Records Review Best Practice

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Introduction

Purpose and Scope

Since many jurisdictions had an issue with meeting the International Registration Plan (IRP) audit requirements as per Section 1025(a) of the plan, a Records Review Program has been added in an attempt to help jurisdictions meet the requirements. The time required for conducting and completing a records review should be considerably less than an audit, and it is expected to increase registrant compliance with the Plan.

The Ballot 2011.371, which was approved with an effective date of July 1, 2013, states that three records reviews may substitute one audit up to a maximum of 25% of the total audits required.

It is not the intent of this document to limit or impose jurisdictional records review procedures, but to serve basically as a guide for preparing such a program. This Best Practice document serves as a complete guide for planning, coordinating, conducting, and documenting a records review. These procedures will help enhance consistency and quality of records review amongst the jurisdictions.

Limits of a Records Review

A records review is not an audit; however, when done properly, it should encourage registrant compliance. Also, a records review should not be converted into an audit merely because a registrant's records are non-compliant.

Section 701 of the Audit Procedures Manual (APM), effective July 1, 2013, states that a records review will focus on the compliance and internal controls of the distance accounting system. The review may be for less than a full reporting period and may also be done before the first renewal.

The registrant will receive a report outlining any record keeping deficiencies and there will not be any fee adjustments.

Requirements

APM Section 702 states that:

- (a) A Member Jurisdiction electing to institute a Records Review Program that qualifies towards the annual audit requirement must establish procedures and guidelines similar to those for audits. The records review procedures must:
 - (i) comply with requirements in Article 2, General Auditing Standards, and Article 3, Auditor Qualifications and Responsibilities, of the APM;
 - (ii) document the distance accounting system used by the registrant, the items included in the source documents, and the sources used by the registrant to determine distances;
 - (iii) assess and document internal controls;

- (iv) determine and document the adequacy of records and identify specific deficiencies;
 - (v) result in a written report to the registrant citing any specific deficiencies in the record keeping system;
 - (vi) record all contacts with the registrant; and,
 - (vii) retain the completed records reviews according to the prevailing IRP audit records retention requirements.
- (b) It is strongly recommended the base jurisdiction conduct a follow-up contact with the registrant if non-compliance issues are noted.

Records Review Procedures

Pre-Review Procedures

The purpose of the pre-review is to familiarize the auditor with the registrant's business and reported information.

The current or latest IRP application should be reviewed in order to determine the number of fleets, the actual and estimated distance reported by jurisdictions, and the registration year. Preparing a summary of reported vehicles would be beneficial for the review process. The summary can include information such as the fleet number, Vehicle Identification Number, plates, make, year, weights, axles and any other relevant information available.

When performing a records review on a registrant with actual distance and if the IFTA reported information is shared between departments, an analysis of the distance should be done. It is important to understand that distance reconciliation is not always possible due to program discrepancies.

All correspondence, information and analysis need to be documented in the review file.

Registrant Contact

It is suggested that the registrant be contacted via telephone 30 days in advance if this is a regular records review in order to schedule the records review. It is also suggested to follow up on the telephone call by sending the registrant an initial *Records Review Notification Letter* and the *List of Records Required for Records Review*. The review period will typically be for the most recent quarter or as designated by the base jurisdiction. Document the preliminary telephone call and the initial *Records Review Notification Letter* (if prepared) in a correspondence log.

If this is a post-audit records review deemed necessary due to a weak distance accounting system, contact the registrant by telephone one week prior to the scheduled date of the records review with a reminder to send the records to your office for the

specified time period. This may be followed up with a *Records Review Notification Letter* stating the review period time frame.

An interview with the registrant shall take place in order to gain a further understanding of their distance accounting system if needed. A determination will be made whether or not their records are in order and legible; cover the requested period for review; contain all the appropriate items required by IRP; include adequate summaries (monthly, quarterly, annual); and reconcile source documents and summaries without excessive discrepancies or gaps. Documentation of the interview will be indicated on the correspondence log as well.

Any email or faxed correspondence will also need to be notated.

Review Procedures

- I. Document the distance accounting system used by the registrant, the items included in the source documents, and the sources used by the registrant to determine distances
 - A. Describe the distance record-keeping system and the flow of information from source documents to summaries to the IRP renewal forms
 - B. List the source documents used to record the distance information and the elements that are recorded on these source documents
 - C. Identify the source used to calculate distance (i.e. odometer readings, maps, computer software, Global Positioning System, etc.)

- II. Assess and document internal controls
 - A. Verify that the distance information flows correctly from the summaries to the IRP renewal
 - B. Verify that the distance information on the source documents flows correctly to the summaries
 - C. Scan through the source documents to make sure the information is reasonable (for example, if there is a IA destination, make sure there are IA miles listed)
 - D. Verify that the odometer readings flow correctly between the source documents, and that the sum of distance per jurisdiction equals the total distance between the beginning & ending odometer readings (if applicable)
 - E. Determine if the source documents contain the IRP required elements

- III. Determine and document the adequacy of records and identify specific deficiencies

- A. State whether the distance source documents were sufficient and appropriate to comply with IRP record-keeping requirements
- B. State whether the internal controls were sufficient for reporting the correct distance for IRP
- C. List any deficiencies in the distance source documents and/or weaknesses in the internal controls

Report Preparation

The content of the registrant's report can include the following information which is a summary of the work performed.

- **Pre-Records Review Contact**
 - Date of Initial Records Review Letter
 - Date of Pre-Records Review call (or attempts)
 - Description of registrant's business and cargo transported
 - Brief description of jurisdictions traveled (i.e., several states or specific region of country)
 - Prior records review or audits
 - Objective and scope
- **Internal Controls**
 - Source documents received
 - Responsible parties for the records, distance accounting system and reporting
 - Description of distance accounting system
 - Irregularities in the source documents, unit(s) or business operations
 - Application of 'Internal Controls' criteria to the source documents
- **Records Review Process**
 - List sample unit(s) and time period. Explain reasoning for selected units or expanded time period (if applicable)
 - List processes used to evaluate the accuracy and effectiveness of the registrant's distance accounting system:
 - Evaluate the appropriateness of information recorded in source documents
 - Determine the extent of discrepancies and errors discovered in the trip sheet analysis
 - Determine the effectiveness of internal controls and distance accounting system
- **Records Review Findings**
 - Results of processes detailed in 'Records Review Process'
 - Conclusions drawn from Records Review process results
 - Conclusions drawn from 'Internal Controls' criteria
 - Results of Records Review (i.e., Compliant or Non-Compliant)
- **Exit Conference**
 - Name of person exit conference held with and date (or attempts)
 - List of auditor recommendations

- Future action(s) to ensure compliance with IRP (if applicable)
- IRP required statements

Appendix 1

NEBRASKA RECORDS REVIEW PROGRAM
General Steps for IFTA and IRP Records Reviews
 For internal use only

| | | |
|--------------|----------|------|
| | Initials | Date |
| Prepared by: | | |
| Approved by: | | |

Name of Registrant: _____ Nebraska Identification Number: _____

| WF REF | WORKPAPER INDEX |
|--------|-----------------|
|--------|-----------------|

| | |
|-----|--|
| M10 | IFTA/IRP Records Review Checklist |
| 11 | Correspondence to Registrant <ol style="list-style-type: none"> 1. Telephone log(s) 2. Records Review Notification Letter (regular records review) 3. List of Records Required for Records Review (regular records review) 4. Notice of Record-keeping Requirements for IFTA/IRP 5. Records Review Results Letter |
| 12 | General Account Information (regular records review) <ol style="list-style-type: none"> 1. Contact Name 2. Mailing Address 3. Registrant Taxpayer Display 4. Decal Information |
| 13 | Unit/History Information <ol style="list-style-type: none"> 1. Unit List for Records Review Period 2. IFTA History for Records Review Period |

| PROGRAM STEPS | COMMENTS | ADVISOR |
|--|----------|---------|
| <p>The objective of the IFTA/IRP records review is to determine whether the registrant's distance and fuel source documents are sufficient and appropriate to comply with the record-keeping requirements set forth by the International Fuel Tax Agreement (IFTA) and the International Registration Plan (IRP), and to determine whether the internal controls are sufficient for reporting the correct distance and fuel for IFTA and IRP.</p> <p>I. PRELIMINARY PROCEDURES:</p> <p>Determine if this records review is a regular records review or a post-audit records review.</p> <p>A. If a regular records review, contact registrant by telephone to schedule the date of the records review thirty (30) days in advance. Send the Records Review Notification Letter and the List of Records Required for Records Review. The review period will always be for the most recent quarter.</p> <p>B. If a post-audit records review, examine the audit files to determine the scheduled date for the records review. Contact the registrant by telephone one week in advance as a reminder of the upcoming records review.</p> <p>II. EXAMINATION AND EVALUATION OF REGISTRANT'S SOURCE DOCUMENTS AND INTERNAL CONTROLS:</p> <p>A. Examine the records provided by the registrant while completing the IFTA/IRP Records Review Checklist.</p> <p>B. Based on completion of the IFTA/IRP Records Review Checklist, determine whether the registrant's overall source documents were sufficient and appropriate to comply with the IFTA/IRP record-keeping requirements, and whether the internal controls were sufficient for reporting the correct distance and fuel for IFTA and IRP.</p> <p>C. If this is a post-audit records review, determine whether the IFTA and/or IRP license should be cancelled. If cancellation is recommended, state the reasons on the IFTA/IRP Records Review Checklist.</p> | | |

Appendix 1 (continued)

NEBRASKA RECORDS REVIEW PROGRAM
General Steps for IFTA and IRP Records Reviews
 For internal use only

| | | |
|--------------|----------|------|
| | Initials | Date |
| Prepared by: | | |
| Approved by: | | |

Name of Registrant: _____ Nebraska Identification Number: _____

| WP REF | PROGRAM STEPS | COMMENTS | AUDITOR |
|--------|--|----------|---------|
| | III. SUMMARY WORK: A. Prepare the <i>Notice of Record-keeping Requirements for IFTA/IRP</i> and list the specific items that the registrant needs to improve (if any) under the OTHER INFORMATION section. Discuss these recommendations and the results of the records review with the registrant by telephone or in person. B. Write the <i>Records Review Results Letter</i> . C. Send the registrant the <i>Records Review Results Letter</i> , two copies of the <i>Notice of Record-keeping Requirements for IFTA/IRP</i> , a copy of the <i>IFTA/IRP Records Review Checklist</i> , the <i>Nebraska IFTA Procedures Manual</i> , and the <i>Nebraska IRP Apportion Registration Manual</i> . The registrant needs to sign the acknowledgement at the bottom of the <i>Notice of Record-keeping Requirements for IFTA/IRP</i> , and then return the signed copy to our office. After the signed document has been returned, file it in the appropriate locations. D. Finalize the records review section or packet and the information therein. Submit the audit file or records review packet to the supervisor. | | |

Appendix 1 (continued)

IFTA/IRP RECORDS REVIEW CHECKLIST

| | | |
|--------------|----------|------|
| | Initials | Date |
| Prepared by: | | |
| Approved by: | | |

Registrant: _____ Identification Number: _____

Address: _____ Contact Name: _____
 _____ Telephone Number: _____

Records Review Period: _____ Test Month Examined: _____
 (if applicable)

Date(s) of Records Review: _____ Audit Assessment Date: _____
 (if applicable)

List of Documents Reviewed in Support of Distance:

Method Used by Registrant to Determine Distance:

List of Documents Reviewed in Support of Over-the-Road Fuel Purchases:

List of Documents Reviewed in Support of Bulk Fuel Purchases/Usage:

Method Used by Registrant to Determine Fuel:

Were all IFTA decals accounted for? (Circle one) YES NO

| AUDITOR'S EVALUATION: | ACCEPTABLE | UNACCEPTABLE | NOT APPLICABLE |
|---|------------|--------------|----------------|
| 1. The registrant prepared unit specific monthly or quarterly distance summaries, listing monthly or quarterly distance per jurisdiction for each IFTA/IRP unit and for the entire IFTA/IRP fleet. | | | |
| 2. If the IFTA/IRP fleets are not the same, the registrant reported the correct units for IFTA and has procedures in place to report the correct units for IRP. | | | |
| 3. The registrant prepared unit specific monthly or quarterly fuel summaries, listing monthly or quarterly fuel per jurisdiction for each IFTA unit and for the entire IFTA fleet. | | | |
| 4. The registrant maintained trip records, listing at minimum: monthly or quarterly odometer readings and out-of-state trip information, consisting of the date, destination, and jurisdictional distance for each out-of-state trip. | | | |
| 5. The registrant retained over-the-road fuel receipts for each IFTA unit, listing the unit identification and the other documentation required in the IFTA Procedures Manual. | | | |
| 6. The registrant maintained bulk withdrawal records, listing at minimum: date, unit identification, and number of gallons for each bulk withdrawal. | | | |

NOT

Appendix 1 (continued)

IFTA/IRP RECORDS REVIEW CHECKLIST

| | | |
|--------------|----------|------|
| | Initials | Date |
| Prepared by: | | |
| Approved by: | | |

Registrant: _____ Identification Number: _____

AUDITOR'S EVALUATION (CONT.): ACCEPTABLE UNACCEPTABLE APPLICABLE

| | | | |
|--|--|--|--|
| 7. The registrant recorded the bulk withdrawals for all units (IFTA and non-IFTA). | | | |
| 8. The registrant prepared monthly or quarterly bulk fuel inventory reconciliations. | | | |
| 9. The registrant retained tax-paid bulk fuel receipts, listing all the documentation required in the IFTA Procedures Manual. | | | |
| 10. The information on the monthly unit summaries flowed correctly to the quarterly unit summary or IFTA return, and/or the information on the quarterly unit summary flowed correctly to the IFTA return. | | | |
| 11. The information on the trip records, over-the-road fuel receipts, and bulk withdrawals flowed correctly to the monthly or quarterly unit summaries. | | | |
| 12. The odometer readings flowed correctly between trip records, and the total monthly or quarterly odometer distance was calculated correctly. | | | |
| 13. The information from the bulk fuel withdrawal logs and bulk fuel purchase receipts flowed to the monthly or quarterly bulk fuel inventory reconciliations. | | | |
| 14. The beginning bulk fuel inventory of each month or quarter matched the ending bulk fuel inventory of the previous month or quarter, and the bulk fuel inventory levels were reasonable. | | | |

Conclusion: Overall, were the registrant's distance and fuel source documents sufficient and appropriate to comply with the IFTA/IRP record-keeping requirements? (Circle one)

YES NO

Were the registrant's internal controls sufficient for reporting the correct distance and fuel for IFTA and IRP? (Circle one)

YES NO

Note: If the registrant was audited in the past three years, and the overall records were found to be out of compliance with IFTA/IRP record-keeping requirements, the registrant's IFTA and/or IRP account will be recommended for cancellation.

If cancellation of the IFTA and/or IRP license is recommended, briefly state the reason(s) below.

Signature of Auditor: _____

Date: _____

Signature of Supervisor or Sr. Auditor: _____

Date: _____

Appendix 2

INITIAL RECORDS REVIEW CONFERENCE

| | |
|--|---------------------------------------|
| Initial Records Review Letter Date: _____ | Date Records Due: _____ |
| Records Received: _____ | Date of Preliminary Phone Call: _____ |
| Has the registrant been previously audited? <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| Registration Year: _____ | Audit Results: _____ |
| Registration Year: _____ | Audit Results: _____ |
| <ul style="list-style-type: none">• Preliminary phone call to registrant to address any concerns regarding the records• Type of business and cargo transported• Brief description of jurisdictions traveled• Make note of any prior records checks or audits conducted on the account• Objective and scope | |

INTERNAL CONTROLS

Initial:

Date:

| |
|--|
| <ul style="list-style-type: none"><input type="checkbox"/> Inspect source documents for appropriateness of recorded information:<ul style="list-style-type: none">• Dates• Beginning and Ending Odometer Readings (at jurisdictional lines), <i>Global Positioning Systems may use meter readings</i>• Origins, intermediate stops, load pick-up locations, load drop-off locations, destinations• Routes of travel (major highways used)• Distance traveled by jurisdiction (state or province)• Total distance traveled per source document• Power unit number<input type="checkbox"/> Interview registrant to gain an understanding of their distance accounting system<input type="checkbox"/> High Controls<ul style="list-style-type: none">• Records in order and legible• Records cover requested period for review• Records contain all appropriate items required by the IRP• Records include adequate summaries (monthly, quarterly, annual)• Source documents and summaries reconcile<input type="checkbox"/> Low Controls<ul style="list-style-type: none"><input type="checkbox"/> Records out of order and/or illegible<input type="checkbox"/> Records do not cover requested period of review with no explanation<input type="checkbox"/> Source documents do not contain appropriate information required by the IRP<input type="checkbox"/> Material differences between source documents and summaries<input type="checkbox"/> Excessive discrepancies or gaps found in source documents<input type="checkbox"/> Summary Not Included: <input type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly<input type="checkbox"/> Other: _____ |
|--|

Sample size based on 'INTERNAL CONTROLS' criteria

Fleet size: _____

Sample size: _____

RECORDS REVIEW WORKBOOK

WP Ref:

Initial:

Date:

- Download 'Audit Worksheet' from registrant TxIRP audit page 'Actions' Menu
- Rename with IRP account number, registrant name and audit registration year and save into appropriate folder

SUMMARY ANALYSIS

- Test the accuracy of the registrant's recaps/schedules
- Enter the registrant quarterly or monthly summary jurisdictional distance totals into either the 'Monthly-Qtrly Recap' or the 'By Unit Monthly-Qtrly Recap' tabs in the TxIRP Audit Worksheet (IRP-ATM Section VI.D.6)

TRIP SHEET ANALYSIS

WP Ref:

Initial:

Date:

- Select the sample period based on Internal Controls criteria
- JUL AUG SEP OCT NOV DEC JAN FEB MAR
 APR MAY JUN

'The auditor considers the effectiveness of systems of internal control, the number and size of items to be tested, and the probabilities that groups of items, numbers of vehicles, total distance, or distance allocations will be misstated by a significant amount' (IRP-ATM VI.C)

- Mark drop-down boxes and populate sample unit numbers in the Select Units Tab then click Submit. This filters the Trip Sheet Analysis Tab
- Auditor will populate Trip Sheet Analysis Tab with odometer readings and jurisdictional totals from source documents for the selected units to detect and evaluate the extent of discrepancies and errors in the trip sheets
- Enter the registrant (quarterly or monthly summary) jurisdictional distance totals into the corresponding cells on the row labeled Quarterly Summary

Auditor judgment is required in determining the nature of the errors (IRP-APM 703b).

Additional information on evaluating sample results and projecting errors can be found in the Audit Training Manual Sections VI.D.7 & 8.

RECORDS REVIEW NARRATIVE**Initial:
Date:**

The auditor should construct the narrative using a stored 'Narrative' Word document as a template and paste into the corresponding TxIRP audit page. The narrative sections of the TxIRP audit page do not highlight or correct spelling and/or grammar errors. Refer to the IRP-ATM for more detailed guidelines.

• Pre-Records Review Contact

- Date of Initial Records Review Letter
- Date of Pre-Records Review call (or attempts)
- Description of registrant's business and cargo transported
- Brief description of jurisdictions traveled (i.e., several states or specific region of country)
- Prior Records Review or Audits
- Objective and Scope

• Internal Controls

- Source documents received
- Responsible parties for the records, distance accounting system and reporting
- Description of distance accounting system
- Irregularities in the source documents, unit(s) or business operations
- Application of 'Internal Controls' criteria to the source documents

• Records Review Process

- List sample unit(s) and time period. Explain reasoning for selected units or expanded time period (if applicable)
- List processes used to evaluate the accuracy and effectiveness of the registrant's distance accounting system:
 - Evaluate the appropriateness of information recorded in source documents
 - Determine the extent of discrepancies and errors discovered in the trip sheet analysis
 - Determine the effectiveness of Internal Controls and distance accounting system

• Records Review Findings

- Results of processes detailed in 'Records Review Process'
- Conclusions drawn from Records Review process results
- Conclusions drawn from 'Internal Controls' criteria
- Results of Records Review (i.e., Compliant or Non-Compliant)

• Exit Conference

- Name of person exit conference held with and date (or attempts)
- List of auditor recommendations
- Future action(s) to ensure compliance with IRP (if applicable)
- IRP required statements

RECORDS REVIEW SUMMARY**Initial:****Date:**

- Populate registrant TxIRP Records Review page
- Select 'View Audit Summary' from registrant TxIRP audit page 'Actions' menu, review and print
- Complete Records Review Procedures Program
- Mark registrant TxIRP Records Review page 'Requesting Review'
- Populate registrant Records Review file sections with:
 - **Source Documents/Working Papers**
 - Print and complete 'Documents Index' tab
 - Initial and date each working paper
 - All registrant summaries
 - Examples of trip sheets discussed in Records Review narrative
 - **Audit Summary**
 - Records Review Narrative
- Check all sections of Records Review file to ensure presence of required documents / information
- Submit for review

RECORDS REVIEW RESULT: Compliant Non-Compliant

Inform registrant that travel in two or more member jurisdictions is required to possess apportioned plates

NO INTERJURISDICTIONAL TRAVEL

All units in an apportioned fleet must travel outside Texas at a minimum of once a year or be subject to 100% Texas Registration Fees per unit. IRP Article 2 defines 'Apportionable Vehicle' as '...Any Power Unit that is used or intended for use in two or more member jurisdictions..' Unit(s) not meeting the 'Intent' criteria must be detailed in the Records Review narrative. Registrant may be required to provide proof of intent.

(IRP-ATM Section VI.E.3)

POST – RECORDS REVIEW PROCEDURES**EXIT CONFERENCE**

1st Attempt Date: _____ Result: _____

2nd Attempt Date: _____ Result: _____

3rd Attempt Date: _____ Result: _____

- Enter date and person exit conference held with into Exit Conference section of the TxIRP Records Review page
- Document exit conference in Contact Log

Appendix 3

**CONFIRMATION OF IRP RECORDS REVIEW INSPECTION
RECORDS REVIEW**

JOHN DOE TOWING

IRP FILE#: 00000

FLEET # 1

AUDIT YEAR(s) 2011

TYPE OF OPERATION: OTHER TYPE OF ACTIVITY: TOWING

REGISTRANT'S ADDRESS: 12345 N MAIN ST. CITY, JURISDICTION ZIP
CONTACT PERSON: JOHN DOE **PHONE:** **CELL:**
FIRST OPERATED DATE: 11/01/2010 **SOURCE DATA:** 11/01/2010 **THRU** 12/31/2010
LOCATION OF RECORDS REVIEW: CITY

THE REGISTRANT WAS MAILED A RECORDS REVIEW NOTIFICATION LETTER ALONG WITH AN INFORMATIONAL PACKET OF MATERIAL REQUIRED FOR THE REVIEW.

PRE-REVIEW CONFERENCE:

No prior audit has been conducted. The auditor contacted carrier 1/25/11 and reviewed documentation required for record inspection (11/01/10-12/31/10). In agreement with the carrier the review was scheduled for their office 2/10/11. Another review letter was mailed listing the date and time of the review and the required mileage period. The opening conference was conducted 2/10/11, which included a discussion of carrier’s operations, internal controls and accounting system.

CARRIER OPERATIONS

This is a towing company hauling disabled vehicles mostly local with occasional trips to neighboring jurisdictions.

MILEAGE DOCUMENT(s) MAINTAINED AND PRESENTED:

IVDR **RENTAL CONTRACTS** **MONTHLY SUMMARIES**
 LOGS **BILLS** **QUARTERLY SUMMARIES**
 PAY RECORDS **TRIP REPORTS** **ANNUAL SUMMARIES**
 PROGRAM **GPS** **CHARTER** **IFTA**

CONDITION: Summaries forms given to carrier.

ITEMS INCLUDED IN SOURCE DOCUMENT (s):

DATE TRIP **OD READINGS** **MILES TOTAL**
 OD TRIP **OD JURISDICTION** **UNIT**
 ROUTES **MILEAGE FOR JUR** **DRIVER NAME**
 OTHER

SOURCE (s) USED BY CARRIER TO DETERMINE MILES:

OD **PROGRAM MILEAGE** **OTHER**
 MAP **ESTIMATE**

UNITS AND PERIODS TESTED:

No testing was required for this records review.

Appendix 3 (continued)

EVALUATION OF INTERNAL CONTROLS (STRENGTHS and WEAKNESSES):

Each truck has a trip report for each month. The trip reports record the origin and destination and miles by state for all out of state trips. Weekly OD readings are recorded. Each vehicle has a GPS system in the vehicle. The GPS system records total daily miles and a monthly summaries is generated. The out of state miles are not recorded on the GPS mileage printouts.

REVIEW FINDINGS:

A records inspection was conducted on carrier's mileage records. Auditor requested that monthly, quarterly and annual summaries be constructed for all future audits. Records as presented were in compliance. Proper mileage accounting was explained to carrier in detail. The 2011 IRP application is an estimated app and is accepted as filed.

EXIT CONFERENCE:

The auditor advised Mr. Doe that he must include origin/destination (city to city), routes traveled and OD readings on IVDR'S. Monthly/quarterly/annual summaries should be maintained (forms were given to carrier).

REGISTRANT COMMENT:

CARRIER AGREES WITH REVIEW FINDINGS

THIS HEREBY AFFIRMS THAT THE AUDITOR NAMED BELOW CONDUCTED A RECORDS REVIEW OF THE RECORDS PERTAINING TO THE ABOVE CAPTIONED FILE (S).

FURTHERMORE, THAT THE REGISTRANT OR THEIR APPOINTED REPRESENTATIVE HAS BEEN ADVISED THAT THIS REPORT SHALL BE SUBJECT TO REVIEW BY THE DEPARTMENT OF THE STATE AND MEMBER I.R.P. JURISDICTIONS.

REVIEWER 2/16/2011

Auditor Name 02/10/2011

REVIEWED BY DATE

AUDITOR DATE

Appendix 4

XXX-02-XXX



Educational Visit Inter - Intra Jurisdictional Carrier

Date: _____ See Comment _____

Account Information:

| | | | |
|-----------------|-------|--------------------|-------|
| Name: | _____ | Business #: | _____ |
| Address: | _____ | PBN | XXX |
| | _____ | Loc. No. | XXX |
| Telephone #: | _____ | Licence issue Date | _____ |
| Fax #: | _____ | | |
| Contact Person: | _____ | | |

Contact information

| Date | Phone | Comment |
|------|-------|---------|
| | | |
| | | |
| | | |
| | | |

Business Description:

The IFTA vehicles are used for: _____

Type of Exempt card or Purchaser's permit _____

Physical location of records _____

| | Y | N |
|----------------------------------|---|---|
| Presented & Reviewed IFTA Guide: | | |
| Record Keeping Requirements: | | |

Decals and Vehicles

| | | | |
|--|-------|--------------------|---|
| # of vehicles in fleet: | _____ | Qualified Vehicle: | -3 Axles |
| # of IFTA decals issued: | _____ | | -2 Axles and GRW > 11,793 KG |
| # of decals affixed to vehicles | _____ | | -Does not include recreational vehicles |
| # of decals retained for future use: | _____ | | |
| How are unused decals recorded and maintained? | _____ | | All qualified vehicles with decals need to be reported. |

Distance:

Distance records consist of:

Summaries by vehicle:

| | |
|-----------|--|
| Weekly | |
| Monthly | |
| Quarterly | |

Information on Trip Sheets (Log book, Log sheet...)

| | |
|------------------------------|--|
| Unit No. | |
| Dates | |
| Origine and Destination | |
| Routes travelled | |
| Jurisdictional crossing used | |
| Odometers readings | |
| When | |
| Jurisdictional distance | |
| Total distance | |

Fuel:

Fuel purchase records consist of:

Summaries by vehicle:

| | |
|-----------|--|
| Weekly | |
| Monthly | |
| Quarterly | |

Information for retail purchases:

| | |
|--------------|--|
| Unit No. | |
| Jurisdiction | |
| Product Type | |
| Volume | |

Bulk fuel purchases:

| | |
|----------------------------|--|
| Invoices | |
| All bulk withdrawals with: | |
| Unit No. | |
| Dates | |
| Volume | |
| Inventory reconciliation | |

Comments:

Performed by: _____
Name

Reviewed by: _____
Name

Approved by: _____
Name