Quarterly Audit Review Procedures

Audit Readiness · https://atsfleetmanagement.com/docs/quarterly-audit-review-procedures/

Description

Quarterly Audit Review Procedures are the final line of defense before an IFTA return is filed. While monthly reviews help identify issues throughout the reporting period, quarterly reviews ensure that all mileage, fuel purchases, state allocations, adjustments, and supporting documentation are complete, accurate, and ready for submission.

A thorough quarterly review significantly reduces the likelihood of filing errors, amended returns, audit findings, and tax assessments. Carriers that consistently perform quarterly reviews typically have fewer compliance issues and are better prepared for audits.

The objective of the quarterly review is simple: verify that every number reported on the IFTA return can be supported by documentation.

Why Quarterly Reviews Matter

Quarterly reviews help carriers:

- Verify filing accuracy
- Reduce audit findings
- Identify missing documentation
- Reconcile mileage and fuel records
- Improve audit readiness
- Detect reporting anomalies
- Validate tax calculations
- Reduce amendment requirements

Quarterly reviews should be completed before any IFTA filing is submitted.

Goals of the Quarterly Audit Review

Every quarterly review should confirm:

Mileage Accuracy

- All trips imported correctly
- State mileage is complete
- Jurisdiction allocations are accurate

Fuel Accuracy

- Fuel purchases are complete
- Receipts are available
- Fuel tax credits are supported

Filing Accuracy

- Tax calculations are correct
- Reports reconcile properly
- Exceptions have been resolved

Audit Readiness

- Documentation is complete
- Adjustments are supported
- Records are retained

Mileage Review Procedures

Review all mileage records for the quarter.

Verify

✔ Total Fleet Mileage

✔ Vehicle Mileage

✔ State Mileage Reports

✔ Jurisdiction Allocations

✔ ELD Trip Imports

✔ GPS Data

Investigate

- Missing mileage
- Route discrepancies
- Mileage gaps
- Odometer inconsistencies

Fuel Review Procedures

Review all fuel activity for the quarter.

Verify

✔ Fuel Receipts

✔ Fuel Card Transactions

✔ OCR Transactions

✔ Fuel Reports

✔ Vehicle Fuel Assignments

Investigate

- Missing fuel purchases

- Duplicate transactions
- Fuel assignment errors
- Unusual fuel totals

State Mileage Review Procedures

State mileage directly affects tax allocations.

Verify

✔ Jurisdiction Reports

✔ Border Crossings

✔ Route Calculations

✔ State Mileage Totals

Investigate

- Missing state mileage
- Incomplete routes
- Allocation discrepancies

Adjustment Review Procedures

All adjustments should be reviewed before filing.

Verify

✔ Mileage Adjustments

✔ Fuel Adjustments

✔ Manual Corrections

✔ Vehicle Reassignments

Confirm

✔ Supporting Documentation

✔ Notes

✔ Calculation Support

✔ Reason for Change

Exception Report Review Procedures

All exception reports should be reviewed and resolved.

Review

✔ Missing Mileage Exceptions

✔ Missing Fuel Exceptions

✔ High MPG Exceptions

✔ Low MPG Exceptions

✔ Duplicate Fuel Exceptions

✔ Missing State Mileage Exceptions

Confirm

- Root cause identified
- Corrective action completed
- Documentation retained

Filing Calculation Review

Before filing, verify:

✔ Tax Calculations

✔ Fuel Tax Credits

✔ Jurisdiction Totals

✔ Mileage Totals

✔ Fuel Totals

✔ Adjustment Totals

Any discrepancies should be corrected before submission.

Vehicle Activity Review

Verify:

✔ Active Vehicles

✔ Inactive Vehicles

✔ Vehicle Assignments

✔ ELD Connectivity

✔ Vehicle Reporting

Investigate any vehicle reporting anomalies.

Documentation Review

Confirm availability of:

✔ Fuel Receipts

✔ Mileage Reports

✔ ELD Reports

✔ GPS Records

✔ Adjustment Documentation

✔ Vehicle Records

✔ Filing Worksheets

✔ Exception Reports

Common Issues Found During Quarterly Reviews

Missing Fuel Receipts

Receipts unavailable for fuel purchases.

Missing Mileage

Trips not reported.

Duplicate Fuel Transactions

Transactions entered more than once.

Unsupported Adjustments

Missing documentation.

Missing State Mileage

Jurisdiction allocations incomplete.

Tax Calculation Errors

Reported values do not reconcile.

Warning Signs

Unresolved exceptions

Missing receipts

Missing mileage

Duplicate transactions

Unsupported adjustments

Missing jurisdiction mileage

Filing discrepancies

Unusual MPG values

Quarterly Review Documentation

Maintain:

✔ Review Date

✔ Reviewer Name

✔ Findings

✔ Corrective Actions

✔ Resolution Status

✔ Filing Approval Records

This documentation demonstrates proactive compliance management during an audit.

Fleet Manager Responsibilities

Fleet managers should:

✔ Conduct quarterly reviews

✔ Verify filing accuracy

✔ Review Exception Reports

✔ Validate documentation

✔ Approve final filings

✔ Maintain review records

How Advanced IFTA Helps

Advanced IFTA supports quarterly reviews through:

✔ ELD Integration

✔ OCR Fuel Receipt Capture

✔ Mileage Reporting

✔ Fuel Reporting

✔ Mileage Calculator

✔ Adjustment Tracking

✔ Exception Reporting

✔ Audit Readiness Monitoring

✔ Historical Reporting

✔ Compliance Analytics

Quarterly Audit Review Checklist

Before filing verify:

✔ Mileage reports reviewed

✔ Fuel reports reconciled

✔ Fuel receipts uploaded

✔ State mileage verified

✔ Adjustments documented

✔ Exceptions resolved

✔ Tax calculations verified

✔ Documentation retained

Recommended Actions

1. Complete a quarterly review before every filing.
2. Resolve all open exceptions.
3. Verify tax calculations.
4. Reconcile mileage and fuel records.
5. Validate supporting documentation.
6. Document corrective actions.
7. Retain records for at least four years.

Related Articles

- Monthly Audit Review Procedures
- Audit Readiness Checklist
- Using Exception Reports to Reduce Audit Risk
- Missing Fuel Receipts and Audit Risk
- Missing Mileage and Audit Risk

Download Document ->