

19. Audit Risk Indicators

Description

Audit Risk Indicators are warning signs that may increase the likelihood of audit findings, additional tax assessments, penalties, or increased auditor scrutiny. Monitoring these indicators allows carriers to identify compliance issues before they become significant problems.

Common Audit Risk Indicators

- Missing Fuel Receipts
- Missing Mileage Records
- Missing State Mileage
- Unsupported Adjustments
- Duplicate Fuel Transactions
- High MPG Variances
- Low MPG Variances
- Repeated Amended Returns
- Incomplete Vehicle Records

Why Risk Indicators Matter

Early identification of risk indicators improves filing accuracy, strengthens compliance programs, and reduces audit exposure.

Best Practices

Review exception reports monthly, investigate MPG anomalies, reconcile fuel and mileage records, document adjustments, and maintain complete supporting documentation.

Warning Signs

Large fuel tax credits, recurring exceptions, missing documentation, repeated corrections, unusual mileage patterns, and unresolved compliance issues.

How Advanced IFTA Helps

Exception Reporting, Audit Readiness Monitoring, ELD Integration, Fuel Reporting, Mileage Reporting, Historical Reporting, and Compliance Analytics.

Recommended Actions

1. Monitor risk indicators monthly.
2. Investigate all unresolved exceptions.
3. Correct reporting discrepancies immediately.
4. Maintain supporting documentation.
5. Conduct quarterly and annual reviews.

Tags

Audit Readiness, Audit Risk, Compliance, IFTA Audit, Exception Reports, Fuel Reporting, Mileage Reporting, Documentation, Fleet Compliance, Advanced IFTA