

# **International Fuel Tax Agreement - International Registration Plan Frequently Asked Questions (FAQ)**

## **1. Why am I being audited?**

Arizona participates in the International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP). As a member jurisdiction of IFTA and IRP, Arizona is required to conduct audits on 3% of its renewed IFTA licensees and IRP registrants. Arizona selects its auditees based on the prior year's first three filed Quarterly IFTA Reports.

## **2. What information is required for an audit?**

Arizona requires all individuals operating under IFTA and/or IRP to maintain and provide records relating to the business operations of an IFTA and/or IRP fleet. This includes documentation supporting IFTA licensed fleet and IRP registered vehicle travel and fuel purchases.

## **3. How long should I keep my records?**

Individuals must retain mileage and fuel records associated with IFTA for four years (IFTA Procedures Manual P510) and mileage records associated with IRP for three years (IRP Plan 1000).

## **4. Can I use my Electronic Logging Device (ELD) reports for mileage records?**

Mileage reports generated by an ELD may be used to support IFTA and/or IRP activity. However, the information generated by the ELD must meet the requirements for IFTA and IRP, and must be retained in accordance with IFTA and IRP.

## **5. What can I expect from an audit?**

IFTA-IRP audits take at a minimum 3 months to complete. At the completion of the audit, you can expect a draft of the report emailed to you, a Closing Conference to discuss the draft report and audit findings, and an audit package. The audit package contains a summary of the audit results including your appeal rights, the audit report, IFTA billing summary, and IRP billing summary. The audit report recaps your business operations and addresses the objective and scope of the audit, our audit procedures, the strengths and weaknesses in internal controls of the records, sampling, findings, and recommendations.