Motor Vehicle Administration

Maryland Motor Vehicle Administration
6601 Ritchie Highway, N.E.
Glen Burnie, Maryland 21062

1-800-950-1MVA (1682)
CUSTOMER SERVICE CENTER

1-800-492-4575
TTY

www.marylandmva.com
WEB SITE

To the Affected IRP Jurisdictions of:

AB		AL	X	AR	X	AZ	X	BC		CA	X	CO	X	CT	X	DC	X	DE	X				
FL	X	GA	X	IA	X	ID	X	IL	X	IN	X	KS	X	KY	X	LA	X	MA	X				
MB		ME	X	MI	X	MN	X	MO	X	MS	X	MT	X	NB		NC	X	ND	X				
NE	X	NF		NH	X	NJ	X	NM	X	NS		NV	X	NY	X	OH	X	OK	X				
ON	X	OR	X	PA	X	PE		QC		RI	X	SC	X	SD	X	SK		TN	X				
TX	X	UT	X	VA	X	VT	X	WA	X	WI	X	WV	X	WY	X								

Enclosed is a copy of a recently completed IRP audit, conducted by the State of Maryland for your review. The fees, if applicable, for these audits will be transmitted as part of the audit netting process after the mandatory 45-day review period.

If you have any questions concerning this audit, please contact me at (410) 787-2971.

Sincerely,

Sharon Crow
Motor Carrier Services Section

Example #1

Maryland Department of Transportation
Motor Vehicle Administration
International Registration Plan Report
Summary of Apportioned Registration Testing
For Registration Year 2010

IRP Account Number: 1
Name of Carrier: Motor Carrier Services

Summary of Maryland Fees:	Amount Due to Maryland
Summary	-$13.32
IRP 10	$0.00
Total Due (Refunded By) Maryland:	-$13.32

Netting Results

Member Jurisdiction	Amount owed (Refunded)
AB	$0.00
AK	$0.00
AL	($0.06)
AR	$13.16
AZ	($0.22)
BC	$0.00
CA	($0.16)
CO	($0.03)
CT	($0.71)
DC	($0.31)
DE	$1.20
FL	($0.33)
GA	($0.10)
IA	($0.12)
ID	($0.05)
IL	($17.92)
IN	$24.57
KS	($0.14)
KY	($0.13)
LA	($0.05)
MA	($0.41)
MB	$0.00
MD	($4.29)
ME	($0.04)
MI	($0.81)
MN	($0.04)
MO	($15.45)
MS	($0.09)
MT	($0.03)
MX	$0.00
NB	$0.00
NC	($0.39)

Member Jurisdiction	Amount owed (Refunded)
ND	($0.01)
NE	($0.02)
NF	$0.00
NH	($0.02)
NJ	($0.33)
NM	($0.01)
NS	$0.00
NT	$0.00
NV	($0.03)
NY	($0.19)
OH	($12.08)
OK	($0.15)
ON	($0.07)
OR	($0.01)
PA	($7.11)
PE	$0.00
PQ	$0.00
RI	($0.04)
SC	($0.07)
SD	($0.00)
SK	$0.00
TN	($0.57)
TX	$8.51
UT	($0.01)
VA	($9.27)
VT	($0.03)
WA	$1.61
WI	($0.07)
WV	$9.65
WY	($0.05)
Totals	($13.32)

Example #1

Maryland Department of Transportation
Motor Vehicle Administration
International Registration Plan Report
Summary of Apportioned Registration Testing
For Registration Year 2010

General Information:

Account Name: Motor Carrier Services

Mailing Address: 6601 Ritchie Hwy
Glen Burnie MD 21062

Business Address: 6601 Ritchie Hwy
Glen Burnie MD 21062

Representative: Sharon Crow

Telephone: 410-787-2971

Email:

Account Audited:

IRP Account # : 1
IRP Fleet #: 1
IRP Registration Year: 2010
FEI/SSN # : 999999999
IRP Mileage Year: July 1, 2008 through June 30, 2009

Operation Type:

- [ ] Exempt Commodity
- [X] Haul for Hire
- [ ] Household Goods Mover
- [ ] Owner Operator
- [ ] Private Carrier
- [ ] Rental Company

Source Documents / Summaries Maintained in Support of Mileage:

- [X] Driver Trip Reports
- [X] Driver Logs
- [ ] Driver Day Records
- [ ] Freight Bills or Manifest
- [ ] Rental or lease Contracts
- [ ] Computer Generated Miles
- [ ] Monthly Summaries by Vehicle
- [X] Quarterly Summaries by Vehicle
- [ ] Monthly Summaries by Fleet
- [ ] Quarterly Summaries by Fleet
- [ ] Other:

Items Reflected on mileage Source Documents:

- [X] Account name
- [X] Unit Number
- [X] Driver name
- [X] Beginning Trip Date
- [X] Ending Trip Date
- [X] Origin
- [X] Destination
- [X] Routes of Travel
- [X] Miles by jurisdiction
- [X] Beginning Odometer Reading
- [X] Ending Odometer Reading
- [ ] State Line Odometer Reading
- [X] Total Miles Traveled
- [ ] Other:

Example #1

Maryland Department of Transportation
Motor Vehicle Administration
International Registration Plan Report
Summary of Apportioned Registration Testing
For Registration Year 2010

Auditor's Evaluation Of Maintenance Of Operational Records:

[X] Acceptable [ ] Unacceptable

Auditor: Tracy Ross

Date Audit Scheduled: _____ Reaudit: _____

The Following Standard Observations and Findings Apply

____ 1. Unauditable - Records Provided/ Incomplete
____ 2. Records not legible or incomplete and, therefore, unauditable.
____ 3. Records maintained at another location in Maryland or out-of-state
____ 4. Source documentation supporting mileage summaries not available, incomplete, or not properly summarized.
____ 5. Carrier did not keep appointment.
_X_ 6. Source documents do not support mileage originally reported within specific jurisdiction.

Audit Report

Purpose, Scope and Methodology

We have completed the audit of the distances reported by the IRP participant, Motor Carrier Services, for the 12 month period starting July 1, 2008 and ending June 30, 2009. Our audit was conducted in accordance with generally accepted accounting and auditing standards, the IRP Audit Procedures Manual and included a review of related policies and procedures, laws, rules, regulations, and tests of records we deemed necessary in the circumstances.

We reconciled the odometer miles with the jurisdiction miles for the 3rd and 4th quarter 2008, verified the continuity of the odometer readings and tested 10 trips using Promiles Software to test the accuracy of the in-state and out-of-state distances traveled by the vehicle.

Registrant Responsibilities

Section 400 of the IRP Manual titled Registrant Responsibilities require that the registrant must maintain operational records that support the total distance traveled in each jurisdiction and total distance traveled everywhere. It requires that the Individual Vehicle Distance Records (IVDRs) shall contain the following information:

1. Date of trip;
2. Trip origin and destination;
3. Route of travel;
4. Beginning and ending odometer or hubodometer reading of the trip;
5. Total trip distance traveled;
6. Distance traveled by jurisdiction;
7. Unit number or vehicle identification number.

Example #1

It further states that from the information on the IVDRs, the registrant must prepare and maintain:

1. A monthly summary that recaps jurisdictional and total distance traveled by each vehicle operated during the calendar month;

2. A quarterly summary that recaps jurisdictional and total distance traveled by the fleet during each calendar quarter; and

3. A summary of the quarterly recaps used in preparing the application for apportionment.

Our review disclosed that the driver's trip reports contained information needed to verify the distances reported by the registrant. The registrant did prepare and maintain a monthly/quarterly summary that recaps jurisdictional and total distance traveled by each vehicle operated during the calendar month. However, the registrant did not prepare and maintain a summary of the quarterly recaps used in preparing the application of apportionment.

Internal Control

To ensure accuracy, good internal controls dictate that reports must be reviewed independently. It also requires that duties and responsibilities must be adequately segregated.

Our review of the registrant's internal controls disclosed that the mileage sheets and quarterly jurisdiction mileage summaries were completed by the driver. There was no indication that the mileage sheets and the quarterly summaries were reviewed for accuracy. Consequently, there is no assurance that the distances reported by the registrant to the MVA were accurate.

Jurisdiction Miles

The distances traveled on this report were obtained from the driver's trip reports and summary reports. To test the accuracy of the miles reported, we reconciled odometer miles for the 3rd and 4th quarter 2008 with the jurisdiction miles reported.

Our reconciliation showed that the reported actual total jurisdiction miles were understated by 216 miles. Arkansas was understated by 281 miles; Delaware was understated by 26 miles; Illinois was overstated by 155 miles; Indiana was understated by 344 miles; Maryland was overstated by 42 miles; Missouri was overstated by 249 miles; Ohio was overstated by 227 miles; Pennsylvania was overstated by 89 miles; Tennessee was understated by 1 mile; Texas was understated by 308 miles; Virginia was overstated by 168 miles; and West Virginia was understated by 186 miles.

The registrant indicated on the application for apportionment actual mileage traveled in Kansas. However, we did not find any evidence that the vehicle traveled into this jurisdiction. Accordingly, the actual miles reported were converted to estimates. The resulting credits were denied, due to non compliance with IRP recordkeeping requirements.

Our test of 10 trips using Promiles software disclosed instances when the out-of-state mileages were either understated or overstated. Overstatements ranged from .2 to 376.4 miles and understatements ranged from .3 to 17.1. We did not adjust understated mileage due to the insignificance of the discrepancies. Overstatements were not adjusted under the assumption that the vehicle may have traveled somewhere in those States other than the destination. We concluded that the trip distances recorded were reasonably accurate and properly allocated among all jurisdictions.

Example #1

The following are the audited miles for the period ended June 30, 2009.

Alabama	243	Pennsylvania	3929
Arkansas	1124	North Carolina	1189
Maryland	3371	New Jersey	1006
Michigan	1073	New York	583
Missouri	309	Ontario	50
Mississippi	171	Ohio	2570
Delaware	246	Oklahoma	533
Georgia	508	South Carolina	330
Illinois	297	Tennessee	1710
Indiana	547	Texas	3373
Kentucky	306	Virginia	3699
Louisiana	318	West Virginia	685
			28170

Recommendations

1. Maintain records as outlined in Section 400 IRP Audit Procedures Manual titled Registrants Responsibilities.
2. Review mileage reports independently for accuracy.

Exit Conference

We conducted a phone conference with Motor Carrier Services on December 6, 2011, and discussed our findings and recommendations. Mr. Motor Carrier concurred with our findings and recommendations. He was advised to provide all records required and have an independent reviewer verify mileage reports for accuracy.

Example #1

IRP 9

IRP Account Number: 1
Account Name: Motor Carrier Services
Distance Reporting Period: July 1, 2008 through June 30, 2009

Member Jurisdiction	A E1 E2 N	Reported Mileage	Original Percent	A E1 E2 N	Recalculated Mileage	Zero Mileage	Recalculated Percent	Double Estimate	Double Estimate Percent	Percent Increase (Decrease)	Fees Paid	Recalculated Fees	Amount Owed (Refunded)
AB		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
AK		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
AL	A	243	0.00869	A	243		0.00863		0.00000	-0.00006	$7.73	$7.67	($0.06)
AR	A	843	0.03015	A	1124		0.03990		0.00000	0.00975	$40.70	$53.86	$13.16
AZ	E2	352	0.00982	E2			0.00000	352	0.00976	-0.00006	$38.86	$38.64	($0.22)
BC		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
CA	E2	424	0.01183	E2			0.00000	424	0.01176	-0.00007	$28.00	$27.84	($0.16)
CO	E2	79	0.00220	E2			0.00000	79	0.00219	-0.00001	$6.63	$6.60	($0.03)
CT	E2	1366	0.03812	E2			0.00000	1366	0.03789	-0.00023	$117.49	$116.78	($0.71)
DC	E2	789	0.02202	E2			0.00000	789	0.02189	-0.00013	$51.20	$50.89	($0.31)
DE	A	220	0.00787	A	246		0.00873		0.00000	0.00086	$10.94	$12.14	$1.20
FL	E2	2015	0.05623	E2			0.00000	2015	0.05589	-0.00034	$55.05	$54.72	($0.33)
GA	A	508	0.01817	A	508		0.01803		0.00000	-0.00014	$13.17	$13.07	($0.10)
IA	E2	132	0.00368	E2			0.00000	132	0.00366	-0.00002	$23.90	$23.78	($0.12)
ID	E2	48	0.00134	E2			0.00000	48	0.00133	-0.00001	$7.85	$7.80	($0.05)
IL	A	452	0.01616	A	297		0.01054		0.00000	-0.00562	$51.57	$33.65	($17.92)
IN	A	203	0.00726	A	547		0.01942		0.00000	0.01216	$14.67	$39.24	$24.57
KS	A	9	0.00032	E2			0.00000	9	0.00025	-0.00007	$0.62	$0.48	($0.14)
KY	A	306	0.01094	A	306		0.01086		0.00000	-0.00008	$18.87	$18.74	($0.13)
LA	A	318	0.01137	A	318		0.01129		0.00000	-0.00008	$6.40	$6.35	($0.05)
MA	E2	825	0.02302	E2			0.00000	825	0.02288	-0.00014	$69.06	$68.65	($0.41)
MB		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
MD	A	3413	0.12205	A	3371		0.11967		0.00000	-0.00238	$219.69	$215.40	($4.29)
ME	E2	129	0.00360	E2			0.00000	129	0.00358	-0.00002	$6.19	$6.15	($0.04)
MI	A	1073	0.03837	A	1073		0.03809		0.00000	-0.00028	$111.04	$110.23	($0.81)
MN	E2	71	0.00198	E2			0.00000	71	0.00197	-0.00001	$8.42	$8.38	($0.04)
MO	A	558	0.01995	A	309		0.01097		0.00000	-0.00898	$34.31	$18.86	($15.45)
MS	A	171	0.00612	A	171		0.00607		0.00000	-0.00005	$11.09	$11.00	($0.09)
MT	E2	45	0.00126	E2			0.00000	45	0.00125	-0.00001	$2.82	$2.79	($0.03)
MX		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
NB		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
NC	A	1189	0.04252	A	1189		0.04221		0.00000	-0.00031	$52.51	$52.12	($0.39)
ND	E2	24	0.00067	E2			0.00000	24	0.00067	0.00000	$1.20	$1.19	($0.01)
NE	E2	113	0.00315	E2			0.00000	113	0.00313	-0.00002	$4.74	$4.72	($0.02)
NF		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
NH	E2	120	0.00335	E2			0.00000	120	0.00333	-0.00002	$2.93	$2.91	($0.02)
NJ	A	1006	0.03598	A	1006		0.03571		0.00000	-0.00027	$44.00	$43.67	($0.33)

#enhancex

IRP Account Number: 1
Account Name: Motor Carrier Services
Distance Reporting Period: July 1, 2008 through June 30, 2009

Member Jurisdiction	A E1 E2 N	Reported Mileage	Original Percent	A E1 E2 N	Recalculated Mileage	Zero Mileage	Recalculated Percent	Double Estimate	Double Estimate Percent	Percent Increase (Decrease)	Fees Paid	Recalculated Fees	Amount Owed (Refunded)
NM	E2	455	0.01270	E2			0.00000	455	0.01262	-0.00008	$2.18	$2.17	($0.01)
NS		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
NT		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
NV	E2	114	0.00318	E2			0.00000	114	0.00316	-0.00002	$5.19	$5.16	($0.03)
NY	A	583	0.02085	A	583		0.02070		0.00000	-0.00015	$25.18	$24.99	($0.19)
OH	A	2797	0.10003	A	2570		0.09123		0.00000	-0.00880	$137.39	$125.31	($12.08)
OK	A	533	0.01906	A	533		0.01892		0.00000	-0.00014	$20.55	$20.40	($0.15)
ON	A	50	0.00179	A	50		0.00177		0.00000	-0.00002	$8.64	$8.57	($0.07)
OR	E2	48	0.00134	E2			0.00000	48	0.00133	-0.00001	$0.85	$0.84	($0.01)
PA	A	4018	0.14369	A	3929		0.13947		0.00000	-0.00422	$242.47	$235.36	($7.11)
PE		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
QC		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
RI	E2	202	0.00564	E2			0.00000	202	0.00560	-0.00004	$5.89	$5.85	($0.04)
SC	A	330	0.01180	A	330		0.01171		0.00000	-0.00009	$9.44	$9.37	($0.07)
SD	E2	31	0.00087	E2			0.00000	31	0.00086	-0.00001	$0.20	$0.20	($0.00)
SK		0	0.00000				0.00000		0.00000	0.00000	$0.00	$0.00	$0.00
TN	A	1709	0.06112	A	1710		0.06070		0.00000	-0.00042	$83.49	$82.92	($0.57)
TX	A	3065	0.10961	A	3373		0.11974		0.00000	0.01013	$92.07	$100.58	$8.51
UT	E2	80	0.00223	E2			0.00000	80	0.00222	-0.00001	$2.89	$2.88	($0.01)
VA	A	3867	0.13829	A	3699		0.13131		0.00000	-0.00698	$183.65	$174.38	($9.27)
VT	E2	87	0.00243	E2			0.00000	87	0.00241	-0.00002	$5.01	$4.98	($0.03)
WA	E2	62	0.00173	E2			0.00000	62	0.00220	0.00047	$5.91	$7.52	$1.61
WI	E2	144	0.00402	E2			0.00000	144	0.00399	-0.00003	$10.36	$10.29	($0.07)
WV	A	499	0.01785	A	685		0.02432		0.00000	0.00647	$26.63	$36.28	$9.65
WY	E2	117	0.00326	E2			0.00000	117	0.00325	-0.00001	$11.90	$11.85	($0.05)
Totals		35835	1.21968		28170		1	7881	0.219088111	-0.000592	$1,941.54	$1,928.22	($13.32)

A - Actual
E1 - 1st year estimate
E2 - 2nd year estimate
N - non prorate

Note: No remittance is necessary, nor are refunds issued, for net results of less than $5.00.

IRP 10

International Registration Plan Report
Summary of Apportioned Vehicles in Fleet by Equipment Number and VIN
July 1, 2008 through June 30, 2009
For Registration Year 2010

TK - Truck
TR – Tractor
TT – Truck Tractor
RT – Road Tractor
BS - Bus
DT - Dump Truck

IRP Account Number: 1

Account Name: Motor Carrier Services

Vehicle Type	Equipment Number	VIN	Title Number	Gross Combined Weight	Tag Number	Months Apportioned	Original %	% Difference (100% - Orig %)	X Full Fee	Fee Owed
TR	1	1MOTOR1C12J123456	10000001	80,000	999F99	12	0.12205	0.87795	$1,800.00	$0.00

Example