

Appendix 6 – Independent Assurance Report

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON SECTION 8(2)(b), (d), (e) AND (g) OF THE B.C REGULATION 449/2004 (Recycling Regulation)

To the Ministry of the Environment and Climate Change Strategy

We have been engaged by Health Products Stewardship Association to undertake a reasonable assurance engagement in respect of the following information (collectively, “the information”), detailed within Health Products Stewardship Association’s annual report to the Ministry of Environment and Climate Change Strategy and in the accompanying Appendix 1 and 2 for the year ending December 31, 2020:

- The location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of B.C Regulation 449/2004 (Recycling Regulation);
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- The total amount of the producer’s product sold and collected and, if applicable, the producer’s recovery rate in accordance with Section 8(2)(e) of the Recycling Regulation; and,
- Performance for the year in relation to approved targets under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

Management’s Responsibility

Management is responsible for the preparation of the annual report comprising the information required by section 8(2)(b), (d), (e) and (g) of the Recycling Regulation in accordance with applicable criteria set out in Appendix 1 of this report. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Health Products Stewardship Association’s annual report that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on Health Products Stewardship Association’s information. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3000, *Attestation engagements other than audits or reviews of historical financial information*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether Health Products Stewardship Association’s information is fairly stated, in all material respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The nature, timing and extent of procedures selected depend on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involve obtaining evidence about the preparation of management’s statement in accordance with the applicable criteria.

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A reasonable assurance engagement also includes assessing the suitability in the circumstances of management's use of applicable criteria, applied as explained in Appendix 1 of this report, as the basis for preparing information required by Section 8(2)(b), (d), (e) and (g) of the Recycling Regulation; evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by management; and evaluating the overall presentation of the information detailed within the annual report and accompanying Appendix 1 and 2.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion. Relevant information required by Section 8(2)(b), (d), (e) and (g) of the Recycling Regulation is set out in Appendix 1 and 2 of this report.

Our Independence and Quality Control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Basis for Qualified Opinion

As discussed in Appendix 1 of this report, quantification is subject to inherent limitation because our assessment of the total weight of all of the pharmaceuticals that were collected at the collection locations and the total weight of all pharmaceutical that were incinerated is strictly based on the information provided by the collection service providers.

In addition, as discussed in Appendix 2 of this report, Health Products Stewardship Association has not reported the recovery rate and its performance for the year ending December 31, 2020 and, therefore, we are unable to express an opinion on these items.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, Health Products Stewardship Association's information for the year ended December 31, 2020, is prepared, in all material respects, in accordance with the applicable criteria.

Marcil Lavallée

Purpose of the Information

Health Products Stewardship Association's information has been prepared to report to the Ministry of the Environment and Climate Change Strategy and is not intended to be and should not be used for any other purpose.



Chartered Professional Accountants, Licensed Public Accountants
Ottawa, Ontario

June 15, 2021

Marcil Lavallée

HEALTH PRODUCTS STEWARDSHIP ASSOCIATION

APPENDIX 1
DECEMBER 31, 2020

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1. COLLECTION FACILITIES

The location of collection facilities and any changes in the number and location of collection facilities from the previous report in accordance with Section 2(2)(b) of the Recycling Regulation.

Specific disclosures in Health Products Stewardship Association's annual report for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
Total number of collection locations in 2020 – 1,280	Pages 3, 14 and 18 Appendix 2: Regional District Summary Report Appendix 5: BC Collection Sites
In 2020, a total of 1280 BC retail pharmacies or 92.15% of total accredited pharmacies in British Columbia were registered as HPSA collection sites (+5% increase from 2019)	Section 1: Executive Summary (page 3)

The following evaluation criteria were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation:

- Collections facilities are facilities that have a signed contract with Health Products Stewardship Association for the collection of medications during the reporting period of January 1st to December 31, 2020.
- Health Products Stewardship Association maintains a listing of all collection facilities for the program, including the location of the collection facility, the total of which agrees to the number of collection facilities as disclosed in the Annual Report.
- The change in number of collection facilities is calculated by comparing the current number of collection facilities, a sum of all of the collection facilities that have a signed contract within a given reporting year and those that closed within the same reporting year, to the number of collection facilities reported in the prior reporting year.

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2. POLLUTION PREVENTION HIERARCHY

The description of how the recovered product was managed in accordance with Section 8(2)(d) of the Recycling Regulation.

Specific disclosures in Health Products Stewardship Association's annual report for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
In 2020, HPSA disposed 100% of the unused and expired Pharmaceuticals collected in British Columbia through incineration at Suez (Alberta)	Page 12

The following evaluation criteria were applied to the description of how the recovered product was managed in accordance with the pollution hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation:

- All of the products are collected by one company: Whitecap Environment Services.
- We obtained their monthly invoices, which contains a breakdown of the total product collected by weight. The report is broken down by dates and locations.
- We obtained all the Certificates of Destruction provided by SUEZ North America since it's this company that was responsible of the destruction. We compared the totals on the Certificates of Destruction to the monthly invoices to ensure that they are consistent.
- We reported this total to the Annual Report for the reporting period January 1st to December 31, 2020. As per the Certificates of Destruction the total product collected was incinerated.

As established by management, there is an unavoidable risk of material misstatements due that we consider it impractical to introduce surveillance controls on the data produced by the collection service providers (Whitecap Environment Services and SUEZ North America) and on their control activities. Our statement on the total weight of pharmaceutical waste is strictly based on the information provided by the collection service providers.

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3. PRODUCT COLLECTION

The description of the total amount of the producer's product collected, in accordance with Section 8(2)(e) of the Recycling Regulation.

Specific disclosures in Health Products Stewardship Association's annual report for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
In 2020, the quantity of pharmaceuticals collected for disposal was 93,905.5 kg	Pages 5,12,13, 14 and 18 Section 6, Table 1 Appendix 2: Regional District Summary Report
In 2020, the average volume of post-consumer pharmaceuticals returned per capita was 0.0179 kg representing a total volume of 93,905.5 kg of pharmaceuticals returned for disposal	Section 6: Product sold and collected and recovery rate (page 12)

The following evaluation criteria were applied to the description of the total amount of producer's product accordance with Section 8(2)(e) of the Recycling Regulation:

- All of the product is collected by one company, Whitecap Environment Services.
- We obtained their monthly invoices, which contains a breakdown of the total product collected by weight. The report is broken down by dates and locations.
- We reported this total to the Annual Report for the reporting period January 1st to December 31, 2020.

As established by management, there is an unavoidable risk of material misstatements due that we consider it impractical to introduce surveillance controls on the data produced by the collection service providers (Whitecap Environment Services and SUEZ North America) and on their control activities. Our statement on the total weight of pharmaceutical collected is strictly based on the information provided by the collection service providers.

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Product sold and recovery rate

Health Products Stewardship Association has not reported the recovery rate for the year in accordance with 8(2)(e) of the Recycling Regulations for the year ended December 31, 2020 as the approved stewardship plan does not outline the requirement to report recovery rates. If the stewardship program does not report a recovery rate in the approved plan, assurance for producer's product sold data is not required as outlined in the Assurance Requirements.

Performance Targets

Health Products Stewardship Association has not reported its performance for the year in relation to approved targets under 8(2)(b), (d) and (e) in accordance with 8(2)(g) of the Recycling Regulation for the year ended December 31, 2020 as Health Products Stewardship Association is not required to report this to the Director as there are no targets set in the approved stewardship plan for these sections applicable to the reporting year.