

**BRITISH COLUMBIA USED OIL MANAGEMENT ASSOCIATION**

INDEPENDENT REASONABLE ASSURANCE REPORT ON SELECTED NON-FINANCIAL INFORMATION  
INLCUDED IN THE BRITISH COLUMBIA USED OIL MANAGEMENT ASSOCIATION 2015 ANNUAL REPORT

**To the Directors of  
British Columbia Used Oil Management Association**

We have been engaged by the management of British Columbia Used Oil Management Association (“BCUOMA”) to undertake a reasonable assurance engagement in respect of the following disclosures within BCUOMA’s Annual Report for the year ended December 31, 2015 (together the “Subject Matter”):

- 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 BC Regulation 449/2004 (the 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; and,
- 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.

**RESPONSIBILITIES**

The Subject Matter is the responsibility of BCUOMA’s management, who have prepared the Subject Matter in accordance with the evaluation criteria, which are an integral part of the Subject Matter. Our responsibility in relation to the Subject Matter is to perform a reasonable assurance engagement and to express a conclusion based on the work performed. Our audit does not constitute a legal determination on BCUOMA’s compliance with the Recycling Regulation.

**EVALUATION CRITERIA**

The suitability of the evaluation criteria is the responsibility of management. The evaluation criteria presented in Appendix A are an integral part of the Subject Matter and address the relevance, completeness, reliability, neutrality and understandability of the Subject Matter.

## **SCOPE OF THE AUDIT**

We carried out our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) published by the International Federation of Accountants (“IFAC”). This Standard requires, amongst other things, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand and audit the information included within the Subject Matter, and that they comply with the independence and other ethical requirements of the IFAC Code of Ethics for Professional Accountants.

A reasonable assurance engagement includes examining, on a test basis, evidence supporting the amounts and disclosures within the Subject Matter. A reasonable assurance engagement also includes assessing the evaluation criteria used and significant estimates made by management, as well as evaluating the overall presentation of the Subject Matter. The main elements of our work were:

- Understanding and evaluating the design of the key processes and controls for managing and reporting the Subject Matter information used by management in preparing the Annual Report Subject Matter;
- Assessing the risks that the Subject Matter may be materially misstated;
- Responding to assessed risks through testing, on a test basis, the Subject Matter information used by management in preparing the Annual Report Subject Matter;
- Procedures such as inquiring, inspecting, observing, vouching to independent sources, recalculating and re-performing procedures were performed to obtain corroborating evidence to address assessed risks linked to the Annual Report Subject Matter; and
- Evaluating the sufficiency and appropriateness of the evidence obtained.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## **INHERENT LIMITATIONS**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Subject Matter and the methods used for determining and calculating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. Furthermore, the nature and methods used to determine such information, as well the evaluation criteria and the precision thereof, may change over time. It is important to read our report in the context of evaluation criteria.

## **OPINION**

In our opinion, the Subject Matter for the year ended December 31, 2015 presents fairly, in all material respects, based on the evaluation criteria listed in Appendix A:

- 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;
- 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; and,
- The total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculated in accordance with Section 8(2)(e) of the Recycling Regulation.

## **EMPHASIS OF MATTER**

Without qualifying our opinion, we draw your attention to Appendix B which describes why certain items required by the Assurance Requirements to be included in Appendix A have been excluded.

## **OTHER MATTERS**

Our report has been prepared solely for the purposes of BCUOMA's compliance with the reporting requirements relating to Sections 8(2)(b), (d), (e) and (g) of the Recycling Regulation and is not intended to be and should not be used for any other purpose. Our duties in relation to this report are owed solely to BCUOMA, and accordingly, we do not accept any responsibility for loss incurred to any other party acting or refraining from acting based on this report.

*Green Horwood & Co LLP*

GREEN HORWOOD & CO LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria BC, Canada  
June 29, 2016

## Appendix A to the Independent Reasonable Assurance Report

### COLLECTION FACILITIES

Section 8(2)(b) the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report, including the contents of the Appendix - Return Collection Facilities.

Specific Disclosures in the 2015 annual report for which evaluation criteria were developed	
Claim in the Report	Reference
In 2015, 475 Return Collection Facilities collected materials from the public, a decrease from the 505 facilities that provided this service in 2014.	<i>Collection Network Performance</i> on page 2

The following definitions 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:

**Collection Facility** refers to locations that are owned by Program Participants (“Members”), registered collectors, local governments and not-for-profit organizations where:

- The collection facility operator(s) have a signed contract or registration form or verbal agreement with BCUOMA for the collection and redemption of Program Products.
- The location(s) collected materials at any point in time during the reporting year; and
- The location(s) is recorded by BCUOMA in a website database.

**Collection Facilities** include the following types of centres:

- Registered collection facilities (“RCF”) collect used oil and antifreeze materials from the do-it-yourself customer at no charge. These facilities may make a semi-annual claim to BCUOMA for payment for collecting used oil and/or antifreeze materials.
- Facilities that have entered into verbal agreement with BCUOMA and collect used oil and antifreeze materials. These facilities do not submit a RCF registration form.

### Evaluation Criteria

- Reporting Period: January 1st to December 31st.
- The number of Collection Facilities and the location of each facility are documented in a data base maintained by BCUOMA. Collection Facilities are entered into the database as of the date of registration.
- The total number of Collection Facilities is obtained by adding the total number of registered collection facilities and facilities with verbal agreements listed in the website database as of December 31st of the reporting year.

- The changes in number and location of Collection Facilities are determined by adding the total number of Collection Facilities added in the reporting year less the total number of Collection Facilities removed during the reporting year. Locations that have moved during the reporting year (i.e., an operator that closed a location to move it to a new location) are captured in the total number of collection facilities added and removed throughout the year.
- The Ambassador Program verifies the existence of the collection facilities on a yearly basis. The results of the Ambassador Program are compared to the database of the collection facilities and the final list of facilities is posted on the website. A description of the Ambassador Program is described on page 6 of the 2015 Annual Report.
- A summary reconciliation is completed at year-end identifying the Collection Facilities at the beginning of the year, changes during the year and the number of facilities at the end of the year.

**PRODUCT MANAGEMENT**

**Section 8(2)(d) the description of how the recovered product was managed in accordance with the pollution prevention hierarchy.**

<b>Specific Disclosures in the 2015 annual report for which evaluation criteria were developed</b>	
<b>Claim in the Report</b>	<b>Reference</b>
Oil and Antifreeze collected and managed through the BCUOMA program are re-refined and reused. Filters, containers and oil that can't be re-refined are processed and recycled into new products.	<i>Product Management</i> on page 5

Note: The percentage allocation between products collected that were reused and recycled has not been reported on as the process to determine the allocation was not verifiable.

The following definitions were applied to the assessment of how the recovered product was managed:

**Oil** – The amount of uncontaminated used oil recovered, less the water content, that is received at a used oil refinery is reported as reuse. The amount of uncontaminated used oil recovered, less the water content that is received at a facility that is not a refinery is reported as recycled.

**Antifreeze** – The amount of used antifreeze that is received at a used antifreeze processing facility is reported as reuse.

**Filters** – The amount of metal filters processed and received at a steel recycler will be reported as recycled.

**Containers** – The amount of containers received at a facility that manufactures plastic resin (pellets) or a steel recycler will be reported as recycled.

**Evaluation Criteria**

- Products collected are shipped to registered processors that are waste management companies or recyclers

**PRODUCT SOLD AND COLLECTED**

Section 8(2)(e) the total amount of the producers’ product sold and collected and the producer’s recovery rate.

Specific Disclosures in the 2015 annual report for which evaluation criteria were developed						
Claim in the Report						Reference
Material	Products Sold	Recoverable %	Recoverable Portion	Product Recovered	Recovered %	<i>Product Collected on page 3, 2015 Collections by Regional District on page 4, and Years Ahead – Continuous Improvement on page 7</i>
Oil (L)	97,708,685	69.90%	68,298,371	47,295,822	69.25%	
Antifreeze (L)	12,202,799	47.60%	5,808,532	2,632,203	45.32%	
Filters (#)	6,854,887	100.00%	6,854,887	5,905,525	86.15%	
Containers (kg)	2,108,285	100.00%	2,108,285	1,729,736	82.04%	

**Evaluation Criteria**

Products sold

- Total products sold volumes are based on EHC remittance forms submitted by registrants on either a monthly, quarterly, or annual basis in unit sales.
- The reported sold volumes are subject to compliance reviews which are completed for all registrants on a three to four year rotational basis.
- The product sold is reconciled to the numbers published in the Annual Report.

Product recovered

- Total product recovered volumes are based on return incentive claims (RI claims) submitted by registrants.
- The reported recovered volumes are subject to Desk Review to ensure that RI claims contain required supporting documentation as per the Manual for Registered Processors and Collectors.
- The Recoverable Portion of oil is calculated by multiplying Products Sold by the Recoverable % obtained from a 2005 independent report commissioned by BCUOMA.
- The Recoverable Portion of antifreeze is calculated by multiplying Products Sold by the Recoverable % obtained from a 2012 independent report commissioned by BCUOMA and other used oil associations.
- The Recovered % is calculated by dividing the Product Recovered by the Recoverable Portion.
- The product recovered is reconciled to the numbers published in the Annual Report.

## **Appendix B to the Independent Reasonable Assurance Report**

BCUOMA has not reported the performance for the year in relation to approved targets under 8(2)(g) of the Recycling Regulation for the year ended December 31, 2015 as the Stewardship Plan is currently under review by the Ministry of Environment.

Consequently, we have not been engaged for the year ended December 31, 2015 to issue an assurance report on the above.