



June 6, 2012

## **Specified Procedures on Non-financial Information**

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

As specifically agreed, we have performed test procedures at British Columbia Used Oil Management Association ("the Agency") as described in this letter for the year ended December 31, 2011 over certain non-financial information related to:

1. BC Reg449/2004, 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;
2. BC Reg449/2004, Section 8 (2) (d) - a description of how the recovered product was managed in accordance with the pollution prevention hierarchy; and,
3. BC Reg449/2004, Section 8 (2) (e) - the total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate.

The results of applying the procedures are detailed in the attached Appendix. These procedures do not constitute an audit of the Agency's non-financial information and therefore, we express no opinion on the overall accuracy or completeness of the non-financial information of the Agency for the year ended December 31, 2011.

This report is for use solely by the British Columbia Used Oil Management Association and the B.C. Ministry of Environment in connection with their consideration of the accuracy and completeness of certain non-financial information as reported by British Columbia Used Oil Management Association for the year ended December 31, 2011. Consequently, the report should not be distributed to other parties without our prior written consent. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third party. We accept no responsibility for any loss or damages suffered by any third party as a result of decisions made or actions taken based on this report.

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For the following procedures, test samples were selected from the year ended December 31, 2011, unless otherwise noted.

**Non-Financial Information Requirement: BC Reg449/2004, 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;**

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
1.1	To obtain comfort over the existence and accuracy of the collection facilities reported in the Agency's annual report.	<ol style="list-style-type: none"> <li>1. For the period under review, obtain a listing of all Collection Facilities from the Agency broken out by type (if applicable).</li> <li>2. Compare total count of collection facilities from the listing with the annual report; investigate any discrepancies with the Agency as applicable.</li> <li>3. Randomly select a sample of 25 Collection Facilities from the listing of Collection Facilities. Review each registrant to determine that the new registrant was registered appropriately as follows:               <ol style="list-style-type: none"> <li>a. An Ambassador's report exists for the Collection Facility.</li> <li>b. The Ambassador's report lists contact information and location, which agrees with the detailed listing.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Listing obtained. No exceptions noted.</li> <li>2. Count of collection facilities of 533 as at December 31, 2011 agreed to the Annual Report statement as follows: <i>"Approximately 530 of the over 4,000 generators located all across the province continue to participate in our program as a RCF for the do-it-yourselfer to take back their used oil materials at no charge, with about 300 RCFs available to take back used antifreeze materials"</i>.</li> <li>3. An Ambassador's report exists for each facility selected. No exceptions noted.  Contact information agrees, with the following exceptions:               <ul style="list-style-type: none"> <li>- for one collection facility, the organization's name was slightly different and the types of materials collected differed; and</li> <li>- for two collection facilities, the postal code did not agree.</li> </ul> </li> </ol>

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
		<p>4. Using contact information on the Facility listing provided in #1 above, phone 25 randomly selected Collection Facilities to verify their existence and that they have an adequate understanding of the program by enquiring of someone who be expected to have knowledge of the program (e.g. the owner or service manager).</p>	<p>4. All facilities were successfully contacted, supporting the existence of the facilities.</p> <p>For 2 of the facilities, direct contact could not be made with the main contact (main contact was unavailable).</p> <p>Of the 23 facilities with successful contact, the following was noted:</p> <ul style="list-style-type: none"> <li>- one facility only accepts used oil filters and used antifreeze, without accepting the other streams;</li> <li>- one facility accepts antifreeze containers but does not accept used antifreeze;</li> <li>- the remaining 21 facilities accept either all 3 streams (used oil, filters and containers) or all 5 streams (including used antifreeze and containers).</li> </ul>
<p><b>1.2</b></p>	<p>To obtain comfort over the completeness, consistency, and validity of the number of Collection Facilities.</p>	<ol style="list-style-type: none"> <li>1. Obtain the historical data for the total number of collection facilities for the past 3 years as reported by the Agency in their annual reports.</li> <li>2. Investigate any fluctuations greater than 5% to understand the reason for the fluctuation in the number of collection facilities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Listings obtained. No exceptions noted.</li> </ol> <p>The number of collection facilities has increased from 488 in 2010 to 533 in 2011. Per discussion with the Executive Director, the main reason for the increase in the number of Return Collection Facilities (RCFs) from 2010 to 2011 was because BCUOMA starting</p>

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
			<p>paying the RCFs as of July 1, 2011. If they collect used oil, oil filters and oil containers, BCUOMA pays them \$0.10/litre for all the used oil that they generate at their facility. If they collect used antifreeze and antifreeze containers, BCUOMA pays them \$0.15/litre for all the used antifreeze that they generate at their facility. BCUOMA pays the RCFs every 6 months. They have to fill out RCF Claim Forms plus send BCUOMA copies of bills of lading (invoices) that they receive when the registered collector picks up their used oil and antifreeze.</p>

**Non-Financial Information Requirement: BC Reg449/2004, Section 8 (2)(d) - A description of how the recovered product was managed in accordance with the pollution prevention hierarchy**

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
2.1	To obtain comfort over the effective weight of end-use product collected and the accuracy of the manufacturer's receipt of weight of product.	<ol style="list-style-type: none"> <li>1. Where available, obtain the 3rd party auditors opinion over registered processors/manufacturers compliance with waste management or program specific guidelines for managing product appropriately.</li> <li>2. Ensure the auditor's opinion is unqualified.</li> </ol>	<ol style="list-style-type: none"> <li>1. Selected a sample of 25 3rd party auditor's opinion for the collectors and processors. All 25 had a current auditor's opinion.</li> <li>2. All opinions were unqualified. No relevant exceptions noted.</li> </ol>

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
2.2	To obtain comfort over the accuracy, completeness and existence of end-use of the product collected and the accuracy of the manufacturer's or processor's receipt of weight of product, test on a sample basis the deliveries of product recovered to their end-use (or next along the custody chain).	<ol style="list-style-type: none"> <li>1. Obtain a schedule/listing of products shipped to collectors/processors for the period under review. The listing should provide:               <ol style="list-style-type: none"> <li>a. The collector/processor name/address.</li> <li>b. The total weight of the product weighed at the collection site or consolidation site.</li> <li>c. The total weight of the product weighed at the collector/processor.</li> <li>d. The date of delivery to the collector/processor.</li> </ol> </li> <li>2. Obtain a listing of all registered collectors/processors.</li> <li>3. Scan listing to ensure that all receivers of product were approved collectors/processors.</li> </ol>	<ol style="list-style-type: none"> <li>1. Listing obtained.               <ol style="list-style-type: none"> <li>a. The listing of products shipped contains the name of the collector/processor, but not the address.</li> <li>b. Listing does not contain the weight. The product is weighed by the processor and this weight is used by the collector in preparation of claim forms.</li> <li>c. Listing contains weights. No exceptions noted.</li> <li>d. Listing contains date. No exceptions noted.</li> </ol> </li> <li>2. Listing obtained. No relevant exceptions noted.</li> <li>3. Scanned listing of products shipped. No unapproved processors/manufacturers noted.</li> </ol>

**Non-Financial Information Requirement: BC Reg449/2004, Section 8 (2)(e) - The total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate.**

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
3.1	To ensure that there were no qualifications within the auditor's opinion over the schedule of product recovered.	<ol style="list-style-type: none"> <li>1. Obtain the Auditor's Opinion over the Schedule of Product Recovered for the most recent fiscal year.</li> <li>2. Review the opinion to ensure that there are no qualifications.</li> <li>3. Check the mathematical accuracy of the calculated recovery rate, as reported in the annual report.</li> <li>4. Compare calculated recovery rate to the recovery rate reported by the agency in their annual audited report. Note any discrepancies.</li> </ol>	<ol style="list-style-type: none"> <li>1. Report obtained. No relevant exceptions noted.</li> <li>2. Opinion unqualified.</li> <li>3. Recovery rate for 2011 recalculated.</li> <li>4. Calculated recovery rate compared to recovery rate reported in the annual audited report. No discrepancies noted.</li> </ol>