|  |
| --- |
| SALES VERIFICATION PACKAGE |
| **Between 5 & 10 million Units** |

**Schedule A**

Schedule of Units Charges and Returns

**Please download the Excel format of this Schedule A by clicking on the following link:**

<https://www.return-it.ca/beverage/industry/annualaudit/>



***<Please insert your Company Letterhead>***

**Schedule B**

Report on Specified Procedures

Encorp Pacific (Canada)

100-4259 Canada Way

Burnaby BC V5G 4Y2

Attn: Controller

Date:

To: Encorp Pacific (Canada)

We have performed specified procedures as outlined in Appendix 1 with respect to the attached Schedule of Units Charges and Returns in British Columbia for the products registered with Encorp Pacific (Canada) under BC Recycling Regulation for the period from January 1, 2023, to December 31, 2023.

As a result of applying the above-mentioned procedures we noted no exceptions in the sales reports (other than listed below) filed in British Columbia of products registered under the system by *[Company name here]* for the period referred to above.

This report is for use solely by Encorp Pacific (Canada) to monitor compliance with the System; it will be kept confidential by Encorp and not be distributed to any other parties.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

External or Internal Auditor

**Appendix 1**

**Specified Procedures on Sales Verification Schedule**

|  |  |
| --- | --- |
| Procedure | Comments |
| 1.1 Obtain Declaration of Compliance as outlined in Schedule C. Note any negative confirmation in the declaration. Document number of reporting periods and obtain monthly sales reports submitted to Encorp by a brand owner. |  |
| 1.2 Obtain the schedule of unit charges and returns (Schedule A) compiled by the company and agree to information extracted from the monthly sales reports to Encorp |  |
| 1.3 Foot and cross foot the “Units sold” for the Relevant Period and agree the amounts reported to Encorp to the Company’s accounting records. |  |
| 1.4 Verify from different reports obtained from Company that the units sold were allocated to the proper product class. |  |
| 1.5 Obtain Encorp’s “Fee for Service schedule” for that reporting period and compare with Company accounting records. |  |
| 1.6 The remittances were calculated correctly using the appropriate per unit charge. |  |
| 1.7 Recalculate the “Deposit” and the “Container Recycling Fee (CRF)” to Encorp by multiplying “Units Sold” by the deposit and CRF rates applicable to the respective units applicable. |  |
| 1.8 The remittances were accurately reflected in the accounting records (GL Deposit Liability Account). |  |
| 1.9 Verify that:  The customer was correctly identified as Exempt or non-Exempt.  The customer shipping addresses were allocated to the correct Province.  The product was correctly included or excluded from the Recycling Program.  The product was assigned the correct container unit charge.  The product was assigned the correct unit of measure |  |
| 2.0 If any exceptions are found request the Producer to prepare a corrected sales report by container type/period. |  |
| 3.0 Issue Auditor’s Sales Verification Report to Encorp in the format specified in Schedule B and forward the signed Declaration of Compliance as outlined in Schedule C |  |

**INDEPENDENT PRACTITIONER’S REASONABLE ASSURANCE REPORT ON COMPLIANCE**

To Encorp Pacific (Canada)

We have undertaken a reasonable assurance engagement of the accompanying Schedule “A” Units Charges and Return and Schedule “C” Declaration of compliance of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[company name]*’s compliance during the period of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Start date of Fiscal Year]* to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[End date of Fiscal Year]* with the specified requirements described in the Recycling Regulation of British Columbia.

**Management’s Responsibility**

Management is responsible for measuring and evaluating \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Insert company name here]*’s compliance with the specified requirements of the legislation and for preparing the Schedule “A” Units Charges and Return and Schedule “C” Declaration of compliance. Management is also responsible for such internal control as management determines necessary to enable \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Insert company name here]*’s compliance with the specified requirements.

**Practitioner’s Responsibility**

Our responsibility is to express a reasonable assurance opinion on management’s Schedule “A” Units Charges and Return and Schedule “C” Declaration of compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3530, Attestation Engagements to Report on Compliance. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the entity complied with the specified requirements, in all significant 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 significant instance of non- compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about management’s Schedule “A” Units Charges and Return and Schedule “C” Declaration of compliance of the entity’s compliance with the specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of significant non- compliance, whether due to fraud or error.

The procedures we performed notably includes inquiries, inspection of documents, analytical procedures and agreeing or reconciling with underlying records.

More specifically, the procedures performed in connection with the Distributor’s Schedule “A” Units Charges and Return in British Columbia as reported to Encorp Pacific (Canada) from \_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Start date of Fiscal Year]* to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[End date of Fiscal Year]*, (“Relevant Period”) include but are not limited to:

1. Obtaining the Schedule “A” Units Charges and Return as compiled by the company and agreeing to information extracted from the monthly sales reports to Encorp Pacific (Canada).
2. Footing and cross footing the units sold for the Relevant Period and agreeing the amounts reported on to Encorp Pacific (Canada) to the Company’s accounting records.
3. In accordance to the different reports and information obtained, we have verified the following:
   * The units sold were allocated to the proper product class.
   * The remittance was calculated correctly using the appropriate per unit charge.
   * The remittance was accurately reflected in the accounting records (GL deposit liability account).
   * Recalculate the “Deposit” and the “Container Recycling Fee (CRF)” to Encorp Pacific (Canada) by multiplying “Units sold” by the deposit and CRF rates applicable to the respective units applicable.
   * The customer was correctly identified as exempt or non-exempt.
   * The customer’s shipping addresses were allocated to the correct Province.
   * The product was correctly included (or excluded) from the recycling program.
   * The product was assigned the correct container unit charge.
   * The product was assigned the correct unit of measure.

For the Schedule “C” - Declaration of compliance, no negative confirmation has been noted in the declaration

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

**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.

**Opinion**

In our opinion, the management’s Schedule “A” Units Charges and Return and Schedule “C” Declaration of compliance that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Insert company name here]* complied with the specified requirements established by Encorp Pacific (Canada) by the Recycling Regulation of British Columbia, during the period \_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Start date of Fiscal Year]* to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[End date of Fiscal Year]* in all significant respects.

We do not provide a legal opinion on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Insert company name here]*’s compliance with the specified requirements.

SCHEDULE "C"- Declaration of compliance

To: Encorp Pacific (Canada)

I\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[name]*, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[title] of* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[company name]*, affirm that to the best of my knowledge, the following is a true statement of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[company name]* state of internal controls over the process of reporting and remittances of deposits and CRF for the beverage product sold in/into the province of British Columbia for the period from \_\_\_\_\_\_\_\_\_\_\_ *[Start date of Fiscal Year]* to\_\_\_\_\_\_\_\_\_\_\_\_ *[End date of Fiscal Year]*.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Insert company name here]*:

ü Is knowledgeable to which types of products a deposit and CRF applies and to which the deposit and CRF does not.

ü Has controls in place to ensure the updates processed to the product master file, deposit and CRF are accurate and complete.

ü Has a system in place that automatically charges the deposit on every applicable product sold.

ü Has a system that knows which deposit and CRF rates to charge customers.

ü Has a process in place to authorize change to the CRF and Deposit.

ü Controls are in place to ensure that all the deposit obligations are remitted.

ü Ensures that containers associated with stale dated product or containers disposed of during production do not enter the common collection system for a deposit refund.

ü Registers the product and assumes the responsibility to report sales and remit deposit and CRF in the province of import if an internal transfer of inventory In/Out of the province occurs.

CERTIFIED BY

City\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Senior Officer’s Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Senior Officer’s Signature

***<Please insert your Company Letterhead>***

**Schedule D**

Confirmation of Accuracy of Registered Containers within the Return-It System

Encorp Pacific (Canada)

100-4259 Canada Way

Burnaby, BC, V5G 4Y2

Attn: Controller

Date:

To: Encorp Pacific (Canada)

After reception on January 8 2024 of the listing of ready-to-drink beverage containers registered under *[Company name here]* in the Encorp Pacific (Canada) system, we have performed a thorough assessment to inspect and guarantee that Encorp Pacific (Canada) possesses the latest, most accurate and exhaustive information.

We confirm that all ready-to-drink beverage containers that *[Company name here]* is currently selling in British Columbia is active and registered in the Encorp Pacific (Canada) system under the *[Company name here]* ‘s profile. We also confirm that all the information (unit UPC codes, sizes, flavours and materials) related to each of those containers has been checked and confirmed.

In case some information was no longer valid or needed some corrections, we confirm we communicated such changes to the Encorp Pacific (Canada)‘s Brand Registry team at brandregistry@returnit.ca.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Senior Officer