



Review of Tire Performance Audit Procedure

Consultation Report

November 3, 2021

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Introduction and context

Between April 1, 2021 and April 30, 2021, the Authority reviewed and consulted on its Tire Performance Audit Procedure. The procedure is used to verify the tire collection and management (reuse, retreading or processing) performance data that producers, or producer responsibility organizations (PROs) working on their behalf, are required to submit to the Authority annually.

The Tire Performance Audit Procedure was [developed in consultation](#) with stakeholders in 2019, ahead of the first performance reporting year for tires in 2020. The Authority reviewed the procedure in 2021 to ensure it reflects the most up to date information and any lessons learned from the first reporting year.

All feedback received during the consultation was considered by the Authority in finalizing the procedure. The updated procedure was posted to the Authority's website on November 3, 2021. Based on stakeholder feedback, the revised procedure will be implemented during the 2022 reporting period.

This report details the Authority's consultation process, the feedback received and how the Authority incorporated the feedback into its review. Questions about this report can be emailed to consultations@rpra.ca.

About the Authority

The Authority is the regulator created by the Ontario government to enforce the requirements of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WTDA).

The RRCEA establishes a new resource management regime where producers are individually responsible and accountable for their products and packaging, recovering resources and reducing waste. The WTDA allows for the continuation of waste diversion programs and sets out provisions to wind up those programs as directed by the Minister of the Environment, Conservation and Parks.

Principles for public consultation

The Authority's consultations are guided by the following best practice principles developed by the Organization for Economic Cooperation and Development:

Inclusiveness and openness: Engage broadly with a wide variety of stakeholders, provide clear and understandable information, and make the consultation process accessible, comprehensible and responsive.

Timeliness: Engage stakeholders early before decisions are made and provide regular opportunities for engagement on key program and policy matters.

Accessible and cost effective: Consider a variety of tools and methods to gather feedback that promote efficient and cost-effective consultations.

Balance: Provide opportunities for diverse perspectives and opinions to be heard and considered.

Transparent: Record feedback, report back a summary to stakeholders, and synthesize feedback into programs and policies as appropriate.

Evaluation: Demonstrate the impact of public consultations on program delivery and policy development.

Consultation process

The Authority's consultation on its Tire Performance Audit Procedure began April 1, 2021 and ended April 30, 2021. A [dedicated web page](#) was created on the Authority's website with background information on the consultation and how to provide feedback on the procedure.

On April 1, the Authority emailed registered tire producers and PROs announcing the consultation period. The Authority also notified its general mailing list (approximately 1400 subscribers) via the Authority's April newsletter. The Authority also reached out directly to those affected by the procedure, including PROs and their auditors, to set up 1:1 virtual meetings to discuss changes to the procedure.

What we heard

The Authority consulted with five tire PROs and three audit firms throughout the consultation period. Additionally, prior to this consultation period, the Authority received feedback from two audit firms following the completion of the first audit report in 2020.

For a full list of stakeholders consulted, please see [Appendix A](#).

The feedback received is summarized below.

- Following the completion of the first audit report in 2020, audit firms commented that the original procedure lacked guidance on how to validate collection or resource recovery performance credits that have been transferred by PROs.
- Some auditors expressed concerns with the difficulty in providing an opinion on the accuracy of credit transfers as part of the CSAE 3000 report.
- Some auditors requested that the procedure include additional audit planning and risk assessment procedures.
- There were some comments around ensuring the language in the procedure is clear and specific, especially with regards to auditors providing a CSAE 9100 report (to validate the transfer of credits).
- Majority of stakeholders felt that there was not enough time between finalizing and implementing the revised procedure ahead of the 2021 reporting deadline (May 31, 2021).

Conclusion

The Authority considered all stakeholder feedback as it finalized the Tire Performance Audit Procedure.

Based on feedback received from PROs and their auditors, the Authority made the following revisions to the Tire Performance Audit Procedure:

- Added sections related to the validation of collection and resource recovery performance credits that have been transferred by PROs to provide further guidance to PROs and their auditors.
- Lowered the requirement for auditors to provide a CSAE 9100 report instead of a CSAE 3000 report when validating collection or resource recovery performance credits that have been transferred.
- Clarified language in the procedure to ensure clear guidance by working closely with auditors and the external consulting firm that assisted in the development of the original procedure.

In response to comments about audit planning and risk assessment procedures, the Authority will allow individual audit firms to exercise their own discretion for executing audit planning and risk assessment activities.

The Authority also received feedback for the Authority to delay implementing a revised procedure until the 2022 reporting period due to the limited time between consultation of the revised procedure and the May 31 due date for 2021 reporting.

The updated procedure was posted to the Authority's website on November 3, 2021. The revised procedure will be implemented during the 2022 reporting period.

Appendix A: Stakeholders consulted

The Authority consulted with the following stakeholders:

- BDO
- Deloitte
- eTracks Tire Management Services
- KPMG
- Mobius PRO Services
- Reclay PRO
- Ryse Solutions Inc.
- YESS