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In reply, please refer to:  
File:

May 19, 2025

**SUBJECT: Registered Distributor Internal Control Process Form and Independent Audit Guidance**

On April 14, 2025, the Department of Health, Deposit Beverage Container Program stated in its "Response to Registered Deposit Beverage Distributor Submitted Questions" letter that a form will be drafted and disseminated. Please find attached the said form. If you have already submitted your internal control process, we will reach out to you if there are questions or concerns.

Additionally, the DBC Program has received inquiries, asking for further guidance on what items or documents will be reviewed for the independent audit. Please keep in mind that the purpose of this audit is to:

- Assess whether the reported DBCs are compliant with the DBC Program.
- Assess whether the reported DBCs match the corresponding sales or vendor documents.

Items that should be included for review in the audit:

- Internal control process submitted to the DBC Program.
- List of all eligible and ineligible beverage products manufactured in Hawaii or imported for sale in Hawaii
- Sales or vendor documents that support the sale of reported DBC.
- Monthly or semi-annual distributor reports submitted to the DBC Program for the audited fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>).

Number of data points to be selected and checked by the auditor:

- Monthly reporters: 12 days, one for each month.
- Semi-Annual reporters: 24 days, two non-consecutive days for each month.

Expected deliverables from auditors:

- Assessment on the effectiveness of a distributors' internal control process.
- Assessment of the distributor's reporting accuracy.

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Should your selected auditor have questions regarding the eligibility of a product, they may contact the DBC Program for clarification at (808) 586-4226 or at [DOH.DBCDistributor@doh.hawaii.gov](mailto:DOH.DBCDistributor@doh.hawaii.gov).

Enclosure: DBC Program, Internal Control Process Form