



Bereavement Authority of Ontario

2020 Value-for-Money Audit

Why We Did This Audit

- This is our Office's first audit of the Bereavement Authority of Ontario (Bereavement Authority), an administrative authority overseen by the Ministry of Government and Consumer Services to regulate the bereavement sector.
- In 2019, we approached the Minister to request that our Office perform a value-for-money audit of the Bereavement Authority because we are not able to audit this Authority unless requested.
- We received the Minister's request and conducted the audit under Section 17 of the *Auditor General Act*.

Why It Matters

- People making essential and expensive decisions to purchase funeral, burial or cremation services for their loved ones at the time of a death are typically in an emotional and vulnerable state. They may be uncertain about their purchasing options and the laws that pertain to the bereavement industry and require objective advice to make informed decisions.
- In Ontario, about 70% of funeral services are purchased when someone passes. The remaining 30% are pre-arranged.

What We Found

- Prices for essential bereavement-related products and services are not transparent and often difficult to obtain. Based on our sample of 100 licensed funeral homes, transfer services, cemeteries and crematoriums in Ontario, we found that only 26 or 26% of them disclosed a price list on their websites. Unlike California, Ontario does not require funeral homes and other operators to disclose their prices online.
- Mystery shoppers who we engaged during our audit acted as consumers to shop for funeral services and products at a sample of 100 licensed operators. They experienced sales pressure and/or were given misleading information in 50% of their shopping encounters. When the mystery shoppers inquired about the cost of a basic cremation, the quotes varied significantly, from a low of \$512 in Windsor to a high of \$8,000 in Toronto.
- A regulation requires all cemeteries to renew their licences annually with the Bereavement Authority. However, we found that, as of August 2020, out of a total of 2,368 cemetery operators in Ontario, 277 or 12% of them were operating without their licences renewed between one to almost 30 years.
- Of the 1,984 cemetery operators that reported having a care and maintenance fund (which generates investment income for cemetery care and maintenance in perpetuity), 166 of them had not filed the required report to the Bereavement Authority for over one to 25 years, as of June 2020. Based on the most recent information available, the 166 cemetery operators collectively hold a total of \$2.1 million in their care and maintenance funds.
- Between 2016/17 and 2019/20, the Bereavement Authority inspected, on a reactive basis, only 3.4% of all licensed funeral homes, cemeteries, crematoriums and other operators. It had yet to develop a risk-based framework to identify which licensed and unlicensed operators should be inspected or investigated based on their history of complaints, inspection results, lessons learned and other risk factors.
- Aside from the inspections conducted by the Bereavement Authority, public health units and the Ministry of Labour also carry out inspections at the licensed operators. The Bereavement Authority has never leveraged the results of these various types of inspections nor collaborated with any public health units or the Ministry of Labour to determine whether a more co-ordinated or comprehensive province-wide inspection approach is needed.
- Ontario crematorium operators are required to obtain Environmental Compliance Approvals from the Ministry of Environment, Conservation and Parks (Environment Ministry) to confirm that cremation equipment meets the air emission standards in the *Environmental Protection Act* and its regulations. However, we noted that these Approvals do not expire, and of the 70 crematoriums with an Approval, there are 25 whose only Approvals are from more than two decades ago. These older Approvals either included no terms or conditions or less stringent ones than more recent Approvals.

Conclusions

- A stronger regulatory approach is needed to protect and educate consumers who purchase essential bereavement services and products during emotional times. Key purchasing information, such as price lists of funeral services and products, should be made more transparent and readily accessible by the public.
- The Bereavement Authority inspection coverage of funeral homes, cemeteries and other operators has been minimal and mainly reactive. It needs to follow up in a timely way about licensing issues on many cemetery operators, and non-compliance issues related to their care and maintenance funds.
- The Environment Ministry's monitoring of air emissions from crematoriums is insufficient and inconsistent.

Read the report at www.auditor.on.ca