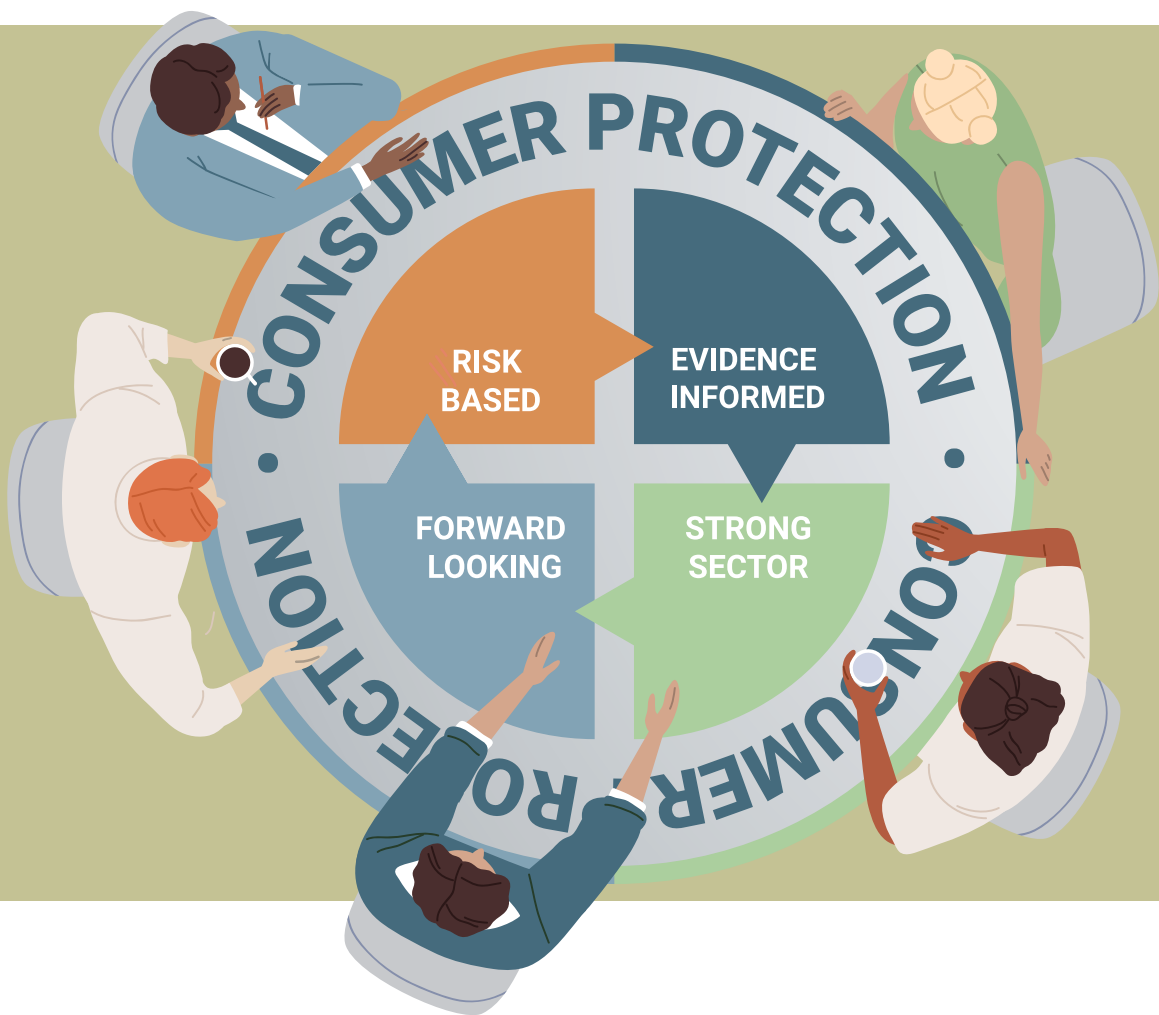


BAO

Bereavement
Authority of
Ontario



2024-2025 Business Plan

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**The BAO is responsible for the
protection of the public interest**

Corporate Overview

The **Bereavement Authority of Ontario** (BAO) was established in 2016 to promote the rights and safety of consumers purchasing funeral and burial or cremation services.

Prior to 2016, the bereavement sector in Ontario was regulated by two separate entities, the **Board of Funeral Services**, also an administrative authority, which regulated funeral and transfer services, and the Ministry of Government and Consumer Services' Cemeteries Regulation Unit, which regulated cemeteries and crematoriums.

In June 2024, the ministry name was changed to the Ministry of Public and Business Service Delivery and Procurement (MPBSDP).

MPBSDP is responsible for oversight of the BAO and continues to be responsible for policy decisions under the FBCSA and retains responsibility for cemetery closures, abandonments and burial sites as defined by the FBCSA.

| Government Delegated

The BAO is a government delegated authority and not-for-profit corporation administering provisions of the Funeral, Burial and Cremation Services Act, 2002 (FBCSA).

Accountable to the Minister of Public and Business Service Delivery and Procurement (the Minister) and the government, the BAO is responsible for the protection of the public interest. The BAO regulates, ensures compliance with the law, provides resources and services to licensed:

- Funeral establishment operators, directors and preplanners;
- Cemetery, crematorium and alternative disposition* operators;
- Transfer service operators; and
- Bereavement sector sales representatives across Ontario.

The BAO is wholly funded by licensee fees (not tax dollars).

The governance of the BAO is established through the Safety and Consumer Statutes Administration Act, 1996, Not-for-Profit Corporations Act, 2010, the FBCSA, their respective regulations, by-laws, policies as well as an Administrative Agreement with the government through the Minister.

The BAO spent its early years establishing itself as a new regulator by building and maintaining strong working relationships with the operators of licensees to promote greater compliance. Its enforcement approach has been to educate, train and coach licensees about compliance, through onsite inspections and financial audits of annual submissions.

*Alternative disposition: Currently this relates to alkaline hydrolysis, a chemical process that uses a heated solution of water and potassium hydroxide or sodium hydroxide under pressure and agitation to reduce a body to components of liquid and bone. In the future this may include additional new disposition technologies.

Business Plan Process

The [2022-2025 Strategic Plan](#) builds on the foundation started in 2016 and shifts to a stronger risk-based regulatory approach informed by evidence, to hold the sector accountable for compliance and to protect consumers.

This Business Plan operationalizes the Strategic Plan, describing the detailed strategic objectives, strategies to achieve the objectives, activities to support each objective, and the key performance outcomes and targets. The Business Plan describes how the success of the Strategic

Plan will be measured, linking those metrics to the strategic objectives and to the mandate of the BAO.

The Business Plan will be revisited by the BAO Board of Directors each year, and adjusted if changes are required.

Each year an annual report is released which highlights

the organization's activities and achievements. Annual performance reporting in comparison to the Business Plan is available within the Annual Report and posted at www.thebao.ca.



| Mandate

The BAO is an independent, not-for-profit corporation that administers provisions of the FBCSA. The BAO's mandate is to serve and protect public interest and govern the bereavement sector in the province of Ontario.

| Vision

A fair and safe bereavement marketplace where Ontarians have confidence in the dignified and respectful treatment of the deceased.

| Mission

To effectively regulate Ontario's bereavement services by;

- Using risk-based regulatory tools to promote compliance and inspire confidence in the sector;
- Using evidence to inform decision making;
- Supporting the development of a strong and diverse sector; and
- Remaining responsive to the changing needs of consumers and the sector.

| Values

We are proactive, respectful, transparent, efficient, fair-minded and team oriented.



Bereavement Environment



The bereavement sector has seen more change in the past several years than any other period in recent history.

A longer-term trend that has accelerated in recent years is a shift from burial to cremation, which has reached 75.3 per cent in Canada in 2023 as reported by the Cremation Association of North America. Coupled with this is a trend of families choosing to place the cremated remains of their loved ones outside of the traditional cemetery environment.

Beyond traditional cremation, is an increased interest in new technologies (e.g., alkaline hydrolysis (AH) and composting).

Ontario's traditional funeral, cemetery, and crematorium sector developed largely in response to the Christian beliefs of Canada's early immigrants.

A longer-term trend that has accelerated in recent years is a shift from burial to cremation.

As globalization, immigration and religious beliefs continue to change the face of Canada, these trends are also impacting bereavement practices.

Funeral homes, cemeteries and crematoriums are evolving in response to the trends. It is incumbent upon

the BAO to remain at the forefront of this evolution to effectively regulate the industry and to protect the interests of consumers.

| Key Strengths

Key strengths in the current bereavement industry include a robust regulatory framework and the professional orientation of bereavement practitioners. Funeral operators, cemeteries, crematoriums, AH and transfer service providers are required to be licensed by the BAO, and funeral professionals must have completed a certification program through a recognized educational faculty.



A robust regulatory framework

The current weaknesses in the industry include a dominant focus on traditional Christian-based practices, industry consolidation, and challenging sector succession issues with an apparent reduced interest in the sector as a career.

Another change impacting the stability of the sector is the emergence of new unregulated niche providers for some bereavement-related services

The sector also includes incidents of regulatory non-compliance with some licensees, particularly with smaller cemeteries with limited or no active burials taking place, and with some faith-based organizations unknowingly providing unlicensed services to their congregation.

Corporate Structure

The BAO and its leaders on the Board and Management Team are well-positioned to respond to the emerging issues within the sector with risk-based strategies and oversight.

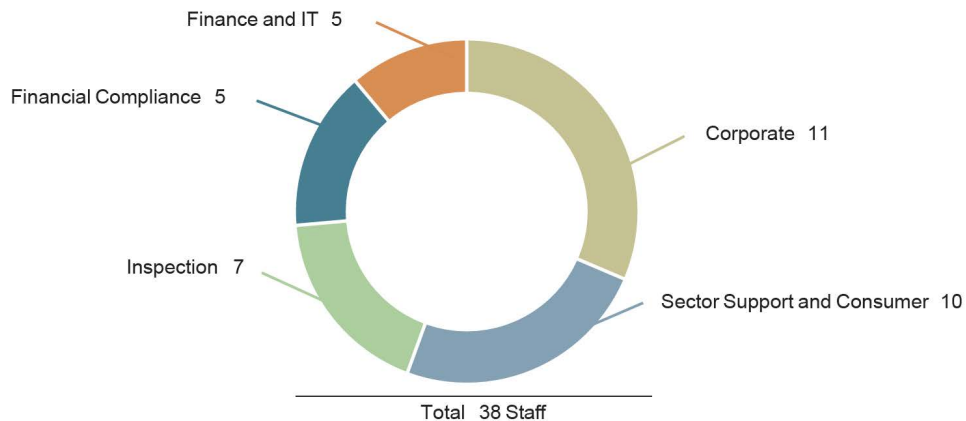
The BAO is governed by a 10-member Board of Directors and is accountable to the Minister for the performance of the BAO. The Board is responsible for corporate governance, regulatory oversight and guiding the development of the BAO's strategic plan and priorities.

The Board is comprised of:

- 4 skills-based Directors with regulatory and governance experience and who have no direct interest in the bereavement sector;
- 3 Directors appointed by the Minister, and
- 3 Directors who represent the industry and who are also the Chairs of the 3 Advisory Committees (information about each of the Advisory Committees is available at www.thebao.ca).

Skills and competency matrix

The BAO uses a skills and competency matrix to ensure the recruitment of qualified and diverse directors who possess strong governance, risk, strategic, stakeholder, regulatory and financial acumen. To achieve its mandate and strategic goals, the BAO maintains a lean, efficient, and effective team of employees including licensing, inspection, financial compliance, and complaints officers, communications, HR, Board, legal, finance IT and education staff. Since 2020 the BAO has expanded its staff significantly, in response to the Auditor General's Report. As of March 2024, the BAO team consisted of 38 employees.



Core Services

The core services of the BAO are:

- Licensing of establishments and individuals, including new applications and renewals
- Ensuring compliance with legislation
- Oversight of internships
- Approval of education programs
- Consumer protection:
 - Complaint handling
 - Mediation
 - Inspections
 - Investigations
 - Compliance Actions (Registrar's Actions)
 - Public Education & Outreach
 - Trust Fund Oversight
 - Compensation Fund Administration
 - Liaison with Government
 - Liaison with Stakeholders

French Language Services

The BAO employs four bilingual individuals. These employees provide bilingual support to consumers, stakeholders and licensees via phone and written correspondence, upon request. The BAO also provides bilingual funeral service education through Collège Boréal, which offers the program in French. Of the 1,898 inquiries received 15 were received and responded to by the BAO in the French language in 2023-2024. BAO publications are offered in French and English.



Stakeholders

In support of its mandate and strategic aims, the BAO maintains productive and positive relationships with key stakeholders including:

- Consumers
- Licensees
- Ministry of Public & Business Service Delivery and Procurement
- Ontario Association of Cemetery and Funeral Professionals
- Ontario Funeral Service Association
- Humber College
- Collège Boréal
- Consumers Council of Canada
- Ontario Monument Builders Association
- Natural Burial Association
- Community Deathcare Canada



Complaints Resolution Process

The BAO handles complaints against bereavement licensees pursuant to the FBCSA, its regulations, and Code of Ethics. The complaints resolution process involves the following steps:

1. Complaint received via phone, email, regular mail or online complaint form
2. Complaint acknowledged and additional information/documentation requested from the complainant
3. Applicable licensee contacted regarding complaint and clarification, documentation and response requested
4. Complaint documentation thoroughly reviewed by BAO Management and Complaint Unit
5. Licensee and complainant kept apprised of the process throughout the investigation
6. Final written response provided to both the licensee and the complainant

Pursuant to the FBCSA, the Registrar may take any of the following actions in response to a complaint or finding of non-compliance, as appropriate:

- Attempt to mediate or resolve the complaint
- Give the licensee a written warning that if the licensee continues with the activity that led to the complaint, action may be taken against the licensee
- Require the licensee to take further educational courses
- Refer the matter, in whole or in part, to the Discipline Committee
- Refer the matter to the Licence Appeal Tribunal
- Approve a licence or the renewal of a licence with conditions
- Apply conditions to a licence at any time
- Take further enforcement actions as is appropriate in accordance with the FBCSA

Strategic Objectives and Key Outcomes



The 2022-2025 Strategic Plan was informed by Board deliberation, Management recommendations and stakeholder interviews, research, and analysis of the current environment as well as emerging issues and trends. Through this process, four strategic objectives were identified as the primary areas of focus for the 2022-2025 period.

Each of the four objectives are supported by strategies and activities that will achieve the objectives. The outcome of each strategy will be measured to confirm that the objectives are being met, illustrating that positive performance is taking place.



Strategic Objective 1: Risk Based

| Objective

We use risk-based regulatory tools to promote compliance and inspire confidence in the bereavement services sector.

| Strategies

The BAO will inform and educate the sector on regulatory expectations and hold licensees accountable to meet their obligations, acting in response to the risks that are presented.

| Activities

- Implement Auditor General recommendations
- Implement an enhanced risk management model that defines risk categories, appetite, capacity, and tolerances
- Implement risk-based oversight and inspection processes
- Align resources with the risk-based approach
- Proactively provide information to licensees regarding compliance expectations
- Strengthen compliance and enforcement through increased disciplinary action
- Encourage identified at-risk cemetery operators to consider voluntary abandonment and transfer to municipality
- Preserve and protect cemeteries by addressing cemetery boundary issues and issuing certificates of consent, when applicable
- Implement regulatory changes
- Conduct regular review of BAO governance policies
- Provide Board training/education workshops
- Continue to increase engagement and strengthen relationships with current stakeholders, government
- Identify, correct, and verify all missing cemetery licensing information by contacting the operators
- Publicize policies regarding licensing renewal obligations
- Streamline licensing renewal process for funeral and transfer service operators
- Expansion of complaints and compliance response templates used to ensure consistency and timeliness of frequently asked questions by consumers and licensees
- Strengthen IT infrastructure (CyberSecurity/Management of corporate assets)
- Increased automation of processes (e.g., new license applications and renewal, complaints, inspections, online submissions, etc.)

Strategic Objective 2: Evidence Informed



| Objective

We use evidence to inform decision making.

| Strategies

The BAO will invest in data gathering processes, resources, and analytics that enable cost-effective and timely evidence-based decisions.

| Activities

- Adopt a model of data-driven predictive analytics for oversight
- Align Board, Management and sector reporting to trends that are evidence informed
- Refine the internal report card that links the risk framework with the regulatory mandate
- Perform data cleansing exercises to prepare for data migration and to increase accuracy of analytics
- Draft and implement policies related to annual submissions (reporting) by licensees
- Enforce regulatory requirements related to annual submissions of licensure reports, licence renewals, filing of care and maintenance funds and prepaid funds reports
- Engage with third parties for information sharing
- Provide education to ensure licensee financial compliance
- Refine reporting framework – integration of data between the new Customer Relationship Management (CRM) and accounting software, while incorporating other related metrics
- Harness communications CRM analytics to support Strategic Plan
- Implement Dynamics 365 CRM
- Provide functional CRM training for staff
- Leverage CRM for compliance and revenue data modeling and reporting
- Expand employee workload tracking by leveraging new CRM
- Implement organizational performance report card – engage Business analyst to assess BAO operations



Strategic Objective 3: Strong Sector

| Objective

We support a strong and sustainable bereavement sector.

| Strategies

The BAO will participate in the healthy development of the sector to ensure consumer choice and fair, safe, and supportive bereavement services for future generations of Ontario consumers.

| Activities

- Enhance inspection efficiency and oversight by establishing risk-based approach to inspection responses
- Engage proactively with the sector, government and consumers
- Develop a consumer-friendly report card for sector performance
- Align employee performance goals with strategic plan objectives and service standards
- Continue to demonstrate value of the BAO and the sector by increasing outreach and expanding BAO communications content
- Formalize outreach programs and education of cemetery operators
- Enhance professional competency requirements
- Enforcement of continuing education requirements through random audits
- Assisting the provincial government with burial locations associated with residential schools
- Licensing of cemeteries identified as a result of new burial site discoveries

Strategic Objective 4: Forward Looking



| Objective

We are responsive to the changing needs of consumers and the evolving requirements of the sector.

| Strategies

The BAO will plan for the future of the sector and the future of its operations to maintain effective regulatory oversight.

| Activities

- Conduct research and engage with stakeholders, including consumers, to be ready to adapt operations to respond to emerging issues and trends
- Align BAO staff competencies with emerging issues and trends
- Seek alternative revenue streams to reduce reliance on annual fees
- Succession planning for senior management
- Ensure employee satisfaction and retention
- Provide change management training for staff
- Develop diversity, equity and inclusion plan
- Develop Disconnecting from Work Policy

Performance Measures

The success of the BAO's Strategic Plan will be measured through a series of performance measures that are aligned with the strategic objectives and actions. Setting these goals enables the BAO to maintain transparency and accountability to the public and its stakeholders.

BAO Performance Measures 2023-2024							
Strategic Enabler	Business Plan Activity	Area of Operation	Measure	MPBSDP Approved Target	Actual 2023-2024	Target 2024-2025	Unmet Targets Rationale
Handling of Complaints and Inquiries							
Strong Sector	Consumer friendly report card AND Continue to demonstrate value of the BAO	Percentage of complaints processed within 30 business days (from date of receipt to date of response letter sent out)	%	70% complaints processed	38%	70%	[1]
		Average time to acknowledge Inquiries	#	1 business day	4	1	[1]
		Average-time to process complaints	#	30 business days	36	30	[1]
Licensing - Initial Application							
Risk Based	Streamline licensing renewal process for funeral and transfer service operators AND Publicize policies regarding licensing renewal obligations	Average time to process a new personal licence application (once all materials are submitted)	#	10 business days	12	10	[2]
		Average time to process a new operator application (once all materials are submitted) includes inspection	#	45 business days	27	45	[2]
Customer Satisfaction							
Evidence Informed AND Forward Looking	Adopt a model of data-driven predictive analysis for oversight AND Conduct research and engage with stakeholders to be ready to adapt operations to respond to emerging issues	Customer Satisfaction survey on complaints: overall satisfaction with the complaints process; timeliness of service; fairness; knowledge and competency of staff; treated with dignity and respect (addressed to complainant)	5-point Likert scale (0 not satisfied – 5 extremely satisfied)		Actual 2023-2024	Target 2024-2025	
		Q1: I was satisfied with the overall service I received from the BAO		48%	60%	[3]	
		Q2: Satisfied with the amount of time it took to address the complaint		71%	85%	[3]	
		Q3: I was treated fairly by the BAO in this process		55%	70%	[3]	
		Q4: Staff were competent and knowledgeable		71%	78%	[3]	
		Q5: Staff treated me with dignity and respect	67%	82%	[3]		
		Sector Satisfaction survey on complaints: overall satisfaction with the complaints process; timeliness of service; fairness; knowledge and competency of staff; treated with dignity and respect (addressed to licensee)	5-point Likert scale (0 not satisfied – 5 extremely satisfied)		Actual 2023-2024	Target 2024-2025	
		Q1: I was satisfied with the overall service I received from the BAO		93%	96%	[3]	
		Q2: Satisfied with the amount of time it took to address the complaint		71%	85%	[3]	
		Q3: I was treated fairly by the BAO in this process		95%	96%	[5]	
		Q4: Staff were competent and knowledgeable		96%	96%	[3]	
		Q5: Staff treated me with dignity and respect	96%	96%	[3]		
		Sector Satisfaction survey on inspections: inspector's professionalism; inspector's knowledge of the Act and regs; inspector explained deficiencies identified; the inspection was helpful to the licensee; other comments (after a completed inspection)	5-point Likert scale (0 not satisfied – 5 extremely satisfied)		Actual 2023-2024	Target 2024-2025	
		Q1: The BAO inspector was professional during		97%	96%	[5]	
		Q2: The BAO inspector was knowledgeable about		100%	96%	[5]	
Q3: The BAO inspector was helpful in explaining the deficiencies that were identified	95%	96%		[5]			
Q4: The BAO inspection was helpful to me as a manager and/or to other members of the staff	90%	93%	[5]				

Performance Measures

Public Awareness							
Strong Sector AND Forward Looking	Engage proactively with the sector, government and consumers AND Conduct research and engage with stakeholders to be ready to adapt operations to respond to emerging issues	Total visits to BAO's website and social media accounts	#	10% increase from the last pre-pandemic year (205,484 web pageviews)*	379,855	395,080	
Inspections							
Risk Based	Implement risk-based oversight and inspection processes	Number of inspections by types (Cemetery/Funeral Establishment/Alkaline Hydrolysis/Crematorium/Transfer Service; Proactive/Reactive)	#	420 inspections*	160	250	[3, 4]
Strong Sector	Enhance inspection efficiency and oversight by establishing differential inspection responses	Average time spent per inspection (from assignment to inspection letter sent to licensee)	# of hours		14.86	17.00	[3, 4]
Risk Based	Implement risk-based oversight and inspection processes	Percentage of inspections without significant deficiencies/non-compliance (i.e. without infractions rated 6 or higher)	%		96%	80%	[3, 4]
Risk Based	Implement risk-based oversight and inspection processes	Percentage of compliance achieved during follow up inspections	%		71%	75%	[3, 4]
Strong Sector	Enhance inspection efficiency and oversight by establishing differential inspection responses	Number of licensees in each risk ranking category (monitoring change in risk levels) 1= Lowest Risk Score 8=Highest Risk Score	#		Rank 1-13 Rank 2-119 Rank 3-227 Rank 4-198 Rank 5-104 Rank 6-22 Rank 7-7 Rank 8-0	Rank 1 -13 Rank 2-120 Rank 3-230 Rank 4-198 Rank 5-102 Rank 6-21 Rank 7-6 Rank 8-0	
Financial Compliance							
Evidence Informed	Provide education to ensure licensee financial compliance	Average turnaround time (once all materials are submitted) to approve a Care & Maintenance Fund or Account transfer application	#	15 business days	7	15	
		Average turnaround time (once all materials are submitted) to approve an application to borrow capital in Care & Maintenance Funds or Accounts	#	45 business days	36	45	
<p>Unmet Targets Rationale</p> <ol style="list-style-type: none"> Inquiries and Complaints department was down to two staff for the entire fiscal year, and down to one September to December for customer relationship management (CRM) system implementation. Staffing returned to full complement in 2024-2025. A second personal licensing officer was hired in Q3, which should ensure that this standard is met or exceeded in the future. As a result of CRM implementation in 2023/24 staff were seconded from their standard duties. Two inspector positions remained unfilled in 2023/2024. Inspectors focused on high risk establishments based on complaints and previous inspection results. Statistically insignificant 							

Financial Projections

As a not-for-profit organization funded by regulatory fees, the BAO will continue to work to demonstrate value for money while conducting its operations in support of consumer protection. The BAO will continue to be transparent about its financial position by publishing audited financial statements

yearly in its Annual Report. As in previous years, the BAO will continue to ensure effective utilization of its financial resources.

The following chart summarizes audited financial results for FY2024 and forecasted financial outlook for the next three years.

3-Year Forecast of Revenue and Expenses

3-Year Forecast of Revenue and Expenses	Actuals FY2024*	Budget FY2025**	Forecast FY2026	Forecast FY2027
REVENUE				
Funeral Revenue	\$ 3,762,337	\$ 4,546,189	\$ 4,528,650	\$ 4,528,650
Cemetery and Crematorium Revenue	3,572,074	4,738,571	4,722,799	4,722,799
Other Revenue - Non-Operational	152,002	108,009	96,042	90,849
Total Revenues	\$ 7,486,413	\$ 9,392,770	\$ 9,347,491	\$ 9,342,298
EXPENSES				
Board Compensation and Expenses	\$ 151,098	\$ 183,607	\$ 124,618	\$ 128,234
Payroll Expenses (3)	3,917,703	4,747,255	5,529,751	5,774,027
Specialized Outsourced Expenses (4), (5)	457,638	789,940	710,870	718,073
Communication and IT Expenses	488,014	911,456	980,746	986,756
Office and Other Expenses (6)	869,787	971,668	1,037,252	1,127,476
Total Expenses	\$ 5,884,241	\$ 7,603,926	\$ 8,383,238	\$ 8,734,567
Operating Surplus/(Deficit)	\$ 1,602,172	\$ 1,788,844	\$ 964,254	\$ 607,730
CAPITAL INVESTMENTS				
CRM Implementation (7)	\$ 948,558	\$ -	\$ -	\$ -
Hardware and Equipment	11,570	105,000	15,000	-
Leasehold Improvements	-	-	-	-
Total Capital Expenditures	\$ 960,128	\$ 105,000	\$ 15,000	\$ -
Working Capital, Depreciation and Investments	(895,877)	218,332	220,671	192,641
Net Cash Inflow/(Outflow)	\$ (253,833)	\$ 1,902,175	\$ 1,169,924	\$ 800,371
CASH RESERVES and OPERATING CONTINGENCY				
Cash Reserves, end of year (incl. Restricted Funds)	\$ 5,096,295	\$ 6,998,470	\$ 8,168,395	\$ 8,968,766
Average Operating Contingency (months)	7.0	5.3	6.8	8.1
Operating Contingency - Fund Short-term Obligations	7.0	7.0	7.0	7.0
Effective Operating Contingency (months)	(0.0)	(1.7)	(0.2)	1.1
Operating Contingency - Target (6 months)	6.0	6.0	6.0	6.0
Operating Contingency - Target Variance (months)	(6.0)	(7.7)	(6.2)	(4.9)

Forecast Assumptions and Notes:

- *Audited financial results for the fiscal year ending, March 31, 2024.
- **FY2025 fiscal budget as approved by the Board of Directors - March 2024.
- Includes full-time and contract employees in addition to associated benefit and payroll tax expenses. Additional resources budgeted in FY2026 and beyond to support existing strategic initiatives including a Business Analyst, Graphic Designer and 4 FTEs to support the potential expansion of the Cemetery-Burial function, pending necessary government approval. Outside legal support reserved for specialized litigation matters that may arise in the normal course of business.
- Ministry oversight fees are reported in Specialized Outsourced Expenses and reflect an annual inflationary increase of 3.12%.
- Onsite field inspections under the direction of a new risk-based framework and supported by two additional inspectors in FY2025.
- New CRM system fully implemented in FY2025 further supported with ever-green initiative program in FY2026 and FY2027. Additional capital expenditure of \$120,000 anticipated between FY2025 and FY2026 to refresh computer hardware.
(Previous refresh in 2019, taking hardware refresh cycle to upper 5-year threshold as per IT best practice).

Conclusion

Achievement of the Strategic Plan and the Business Plan will be measured by improvement in the risk profile of the Ontario bereavement sector, strengthening the quality and relevance of reporting available for BAO Management and Board decision- making, increased effectiveness of regulatory oversight, and enhanced preparedness for emerging issues and trends.

These metrics of success will confirm that a fair and safe bereavement marketplace exists, where Ontarians have confidence in the dignified and respectful treatment of the deceased.

