

BAO

Bereavement
Authority of
Ontario



2025/2026 Business Plan

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

Corporate Overview

| About the BAO

The Bereavement Authority of Ontario (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 (MPBSDP) 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).

| Delegated by government

The BAO was established as a delegated administrative authority (DAA) on January 16, 2016, under the Safety and Consumer Statutes Administration Act, 1996. The delegation to the BAO occurred as a result of the mutual desire of the Ontario government and the bereavement industry to enhance professionalism, increase consumer protection and provide an effective, efficient and responsive regulatory framework.

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' (MPBSDP's former name) Cemeteries Regulation Unit, which regulated cemeteries and crematoriums.

The BAO is not a government entity. It is governed by an independent Board of Directors.

| Oversight

MPBSDP maintains a strong oversight role in the sector and continues to be responsible for policy decisions under the FBCSA. The ministry also retains responsibility for cemetery closures, abandonments and burial sites of the FBCSA.

*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.

| 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.



Summary of Activities



| Inspections

The BAO is continuing its risk-based approach in prioritizing inspections of licensed operators. This approach focuses on regulatory standard-setting and enforcement activity on the highest priority risks, which have been determined through formal assessments of their potential impact on consumers.

The BAO is also focused on a continued increase in the number of inspections of licensed business operations and individual licensees to more effectively oversee the sector in the public interest.

To support this initiative the BAO continues to apply its risk-based approach to inspections, while adding to its staff complement. In the last two years our Inspections, Compliance and Enforcement (ICE) team has added two members, bringing its total to seven inspectors. An additional three staff members are planned to join ICE in the first quarter of 2025, bringing the total to 10 inspectors.

| Financial Compliance

Our Financial Compliance (FC) team continues to focus on ensuring the financial integrity and trustworthiness of businesses within the sector, protecting consumers' funds, ensuring transparent financial practices, and enforcing regulations designed to ensure fair, ethical, and legally compliant operations in the bereavement sector. The FC Team also oversees \$5 billion in trust funds held by or on behalf of licensees.

The FC team will also focus on the financial compliance of municipal and faith-based cemeteries, including providing guidance to smaller volunteer-operated community cemeteries.

Post pandemic, our FC team has evolved from a role as data aggregators to analysts of complex financial practices and compliance professionals. This evolution involves collecting, consolidating and interpreting data, plus enforcing regulatory compliance standards. In adopting this more proactive strategic approach, the FC staff improve decision-making processes and risk mitigation.

A central graphic consisting of a circle formed by four green curved lines. Inside the circle, the text 'Risk-based approach, use of AI, new guidelines...' is written in a blue serif font.

Risk-based approach, use of AI, new guidelines...

FC will explore the implementation of Optical Character Recognition and Artificial Intelligence this year. The BAO will use AI to digitally scan printed text, enabling our staff team to do work of higher value.

| Looking to the future

As the BAO looks to the future of consumer services in the bereavement sector, we know the landscape is gradually changing, as it does in most industries.

Public interest in more environmentally friendly forms of final disposition is driving change in other countries, including the United States of America.

Interest in green burials is expected to increase with greater public focus on environmental issues.

Green burials already conform to the Funeral, Burial and Cremation Services Act, 2002 (FBCSA) in Ontario and are not separately categorized in the FBCSA. General practices of green burials include: No embalming of the body, no headstones, and no concrete vaults; Biodegradable containers or shrouds are often used in burials; Native plants and trees are planted at the burial site, with no chemicals used on vegetation; Grave markers are hand chiseled with minimal, or no machinery used.

| Guidelines

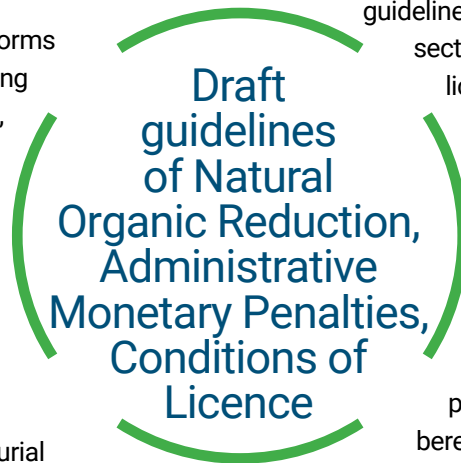
The BAO is working on a few new bereavement sector guidelines.

Natural Organic Reduction (NOR) is something relatively new in the United States, with several states including it as a consumer option in their legislation. NOR, also known as human composting, is the contained, accelerated conversion of human remains to soil. In anticipation of prospective operators wanting to open an NOR facility, the BAO is developing NOR

guidelines for the bereavement sector, including guidelines for licensing conditions.

The BAO is developing guidelines for Conditions of Licence to ensure consumer safety of the soil generated, provide greater consistency, and a more defined process for licensees in the bereavement sector.

The BAO is considering how Administrative Monetary Penalties could work in Ontario's bereavement sector and will provide a recommendation and advice to government.



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. The Chair is accountable to the Minister for the performance of the organization.

The Board is responsible for corporate governance, operational oversight and guiding the development of the BAO's strategic plan and priorities.

The Board is comprised of:

- 3 skills based Directors with regulatory and governance experience;
- 1 consumer representative, an essential position aimed at protecting the interests and perspectives of consumers in the BAO decision-making process;
- 3 Directors appointed by the Minister, and
- 3 Directors who are the Chairs of the 3 Advisory Committees (information about each of the Advisory Committees is available at www.thebao.ca/governance/committees/).

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 in licensing, inspection, financial compliance, complaints,

communications, human resources, legal, finance, and information technology. Since 2020 the BAO has expanded its staff, in response to the Auditor General's Report. As of March 2025, the BAO employs 44 people.

This BAO Business Plan continues to operate in alignment with the organization's most recent Strategic Plan (2022-25) as posted on our website. The BAO will be developing a new Strategic Plan in the next year.



Skills and competency matrix



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



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



| Compliance with

AODA

The BAO ensures that its policies, practices and procedures comply with the principles of dignity, independence, integration and equal opportunity in accordance with the Accessibility for Ontarians with Disabilities Act (AODA), 2005. Our staff have been trained on AODA standards. We will provide documents on request in accessible formats. The BAO public website was designed in compliance with AODA standards.

French Language Services Act

The BAO employs five bilingual individuals. These employees provide bilingual support to consumers, the public, 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.

The BAO's Consumer Information Guide is offered in French and English.

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





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

Continue implementation of processes related to Auditor General recommendations, including:

- Implement an enhanced risk management model that defines risk categories, 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 come into compliance or to consider other options, such as voluntary abandonment.
- Preserve and protect cemeteries by addressing cemetery boundary issues and issuing certificates of consent, when applicable
- 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
- 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

- 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 training for staff
- Leverage CRM for compliance and revenue data modeling and reporting



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
- 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
- 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
- Develop NOR guidelines in anticipation of operator applications
- The BAO is considering how Administrative Monetary Penalties could work in Ontario's bereavement sector and will provide a recommendation and advice to government.
- Investigate and assess technology tools to enhance the BAO's oversight of licensee activities

Performance Measures

Bereavement Authority of Ontario Performance Measures		
Department	Description	2025/26 Target
One: Risk-Based		
Licensing	Average time to process a new personal licence application (once all materials are submitted)	10 business days
	Average time to process a new operator application (once all materials are submitted) includes inspection	30 business days
Inspections	Number of inspections by types (Cemetery/Funeral Establishment/Alkaline Hydrolysis/Crematorium/Transfer Service; Proactive/Reactive)	439
	Percentage of inspections without significant deficiencies/non-compliance (i.e. without infractions rated 6 or higher)	80%
	Percentage of compliance achieved during follow up inspections	75%
Two: Evidence Informed		
Inquires and Complaints	Customer 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)	75%
Inquires and Complaints	Sector 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)	94%
Financial Compliance	Average turnaround time (once all materials are submitted) to approve a Care and Maintenance Fund/Account transfer application	15 business days
Financial Compliance	Average turnaround time (once all materials are submitted) to approve an application to borrow capital in Care and Maintenance Fund/Account	45 business days
Inspections	Sector 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)	95%
Three: Strong Sector		
Inspections	Average time spent per inspection (from assignment to inspection letter sent to licensee)	17 hours
	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 2-120 Rank 3-230 Rank 4-198 Rank 5-102 Rank 6-21 Rank 7-6 Rank 8-0
Inquiries and Complaints	Percentage of complaints processed within 30 business days (from date of receipt to date of response letter sent out)	70%
	Average time to acknowledge Inquiries	1 business day
	Average time to process complaints	30 business days
Four: Forward Looking		
Communications	Total visits to BAO's website and social media accounts	395,080 visits

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 BAO's financial outlook of Revenues and Expenses over the next three years.

3-Year Forecast of Revenue and Expenses

3-Year Forecast of Revenue and Expenses	Forecast FY2025*	Forecast FY2026	Forecast FY2027	Forecast FY2028
REVENUE				
Funeral Revenue	\$ 4,577,207	\$ 4,550,744	\$ 4,550,952	\$ 4,550,952
Cemetery and Crematorium Revenue (8)	4,979,050	4,731,039	4,731,039	4,731,039
Other Revenue - Non-Operational	142,353	131,386	117,122	99,424
Total Revenues	\$ 9,698,610	\$ 9,413,170	\$ 9,399,114	\$ 9,381,416
EXPENSES				
Board Compensation and Expenses	\$ 192,656	\$ 209,105	\$ 210,550	\$ 213,550
Payroll Expenses (2)	4,673,214	5,494,583	5,627,396	5,789,122
Specialized Outsourced Expenses (3), (4)	695,867	740,870	673,073	680,501
Communication and IT Expenses	1,049,231	948,114	904,203	944,223
Office and Other Expenses (5)	906,127	1,009,436	1,120,802	1,185,905
Total Expenses	\$ 7,517,094	\$ 8,402,109	\$ 8,536,024	\$ 8,813,302
Operating Surplus/(Deficit)	\$ 2,181,516	\$ 1,011,060	\$ 863,090	\$ 568,114
CAPITAL INVESTMENTS				
CRM Implementation (6)	\$ -	\$ -	\$ 375,000	\$ 375,000
Hardware and Equipment	69,094	15,000	25,000	-
Leasehold Improvements (7)	-	600,000	250,000	-
Total Capital Expenditures	\$ 69,094	\$ 615,000	\$ 650,000	\$ 375,000
Working Capital, Depreciation and Investments	702,536	131,359	126,113	198,070
Net Cash Inflow/(Outflow)	\$ 2,814,958	\$ 527,419	\$ 339,203	\$ 391,184
CASH RESERVES and OPERATING CONTINGENCY				
Cash Reserves, end of year (incl. Restricted Funds)	\$ 7,911,253	\$ 8,438,672	\$ 8,777,875	\$ 9,169,059
Average Operating Contingency (months)	7.1	7.9	8.2	8.6
Operating Contingency - Fund Short-term Obligations	7.0	7.0	7.0	7.0
Effective Operating Contingency (months)	0.1	0.9	1.2	1.6
Operating Contingency - Target (6 months)	6.0	6.0	6.0	6.0
Operating Contingency - Target Variance (months)	(5.9)	(5.1)	(4.8)	(4.4)

Forecast Assumptions and Notes:

- *FY2025 fiscal forecast representative of BAO's financial outlook at December 31, 2024.
- Includes full time and contract employees in addition to associated benefit and payroll tax expenses. Additional resources budgeted to support existing strategic initiatives including expansion of field inspections and financial compliance in FY2026.
- 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 risk based framework and supported by 3 additional inspectors beginning in FY2026. This includes costs associated to travel related expenses (hotel, mileage and meals etc.) to complete the field inspections as per the risk-based framework.
- CRM system fully implemented in FY2025 supported with \$750k in further enhancements focused on reporting capabilities between FY2027 to FY2028. Capital funding for the CRM upgrade to be supported by restricted cash reserves. Additional capital expenditure of \$40,000 anticipated between FY2026 and FY2027 for computer hardware.
- Preliminary estimate of leasehold improvements (net of landlord allowance); new office lease effective June 1, 2026.
- The forecast revenue decline relates to declining interest rates.

Conclusion

Achievement of 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.

