



Annual Report 2002

Board of Funeral Services

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Annual Report

Board of Funeral Services

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration, which had a history dating back to 1914.

The current legislation, the *Funeral Directors and Establishments Act*, requires that the Board be composed of thirteen members, eight funeral directors and five public persons. All members are appointed by the Lieutenant-Governor-in-Council.

MEMBERS OF THE BOARD OF FUNERAL SERVICES

	2002		2003	
Chair	Bill Steadman*	Sudbury	Carl Compton*	Toronto
Vice-Chair	Carl Compton*	Toronto	Rick Pedder	Toronto
Executive Member	Scott Doney	Shelburne	Kirk Elliott	North Bay
	Kirk Elliott	North Bay	Scott Doney	Shelburne
	Bruce Humphrey	Toronto	Bruce Humphrey	Toronto
	Allan Lee	Harriston	Allan Lee	Harriston
	Patrick McGarry	Ottawa	Donald Lizzotti*	Fort Erie
	Bill Maguire*	Cobourg	Patrick McGarry	Ottawa
	Rick Pedder	Toronto	Thomas Preston*	Oakville
	Thomas Preston*	Oakville	Joe Salini	Thunder Bay
	Joe Salini	Thunder Bay	Wayne Smith	Peterborough
	Wayne Smith	Peterborough	Sarah Walker*	Sudbury
	Sarah Walker*	Sudbury		

*Denotes Public Member

One appointment was in progress at the time of printing.

Board Staff - 2003

Registrar

Joseph Richer

Manager, Inspections & Investigations

René Brakel

Inspectors

Randy Balon

Michelle Crognale

Ken Singh

Professional Competence Officer

Des Mackel

AUDITOR

Harris and Wright

Chartered Accountants

Manager, Licensing & Administration

Susan Beck

Coordinator Administrative Services

Renée Toleck

Administrative Bookkeeper

Marlen Weiler

Bilingual Administrative Assistant

Camie Lefebvre

LEGAL COUNSEL

Steinecke Maciura LeBlanc

Donald Posluns - Barrister & Solicitor



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Our Mission

The Mission of the Board of Funeral Services (the Board) is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* the ('Act') in order that the public interest may be served and protected.

OUR CORPORATE GOALS AND VALUES

- ◆ Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act
- ◆ Supplying information to consumers about their rights
- ◆ Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board
- ◆ Developing and implementing educational programs for funeral service and transfer service providers
- ◆ Consulting with stakeholders in order to ensure their needs and interests are identified
- ◆ Developing recommendations to the Government on legislation, regulation, policy and practices

The Minister of Consumer and Business Services retains responsibility for Ontario's consumer protection legislation and regulation and oversees the quality of services provided by the Board.

Maintaining our Focus

If the phrase that captured the year 2001 was "managing uncertainty," then 2002 could be called the year of "maintaining our focus." The two main initiatives of recent times – the Board's own Educational Review and Implementation process, and the provincial government's Bereavement Sector Advisory Committee (BSAC) process – continued to demand a great deal of time and effort from both the Board and its staff.

The Board studied a copy of an early draft of the new legislation, which examines governance within Ontario's Bereavement Sector, and comments were offered to the Minister. He has acknowledged the importance of our input. We have been told that the legislative assembly will consider the legislation during the 2002-2003 sitting of the house.

Throughout the process of consultation and review, this Board has maintained its focus on its current regulatory responsibilities, and also kept front and centre the need to maintain consumer protection as our number one responsibility.

Over the year, several committees have proceeded to implement the recommendations of the Report on the Goals and Objectives of Funeral Service Education in Ontario. The primary focus of the committees' efforts has been to provide for highly qualified funeral directors within this province for the foreseeable future. Changes being contemplated in pre-admission and admission, academic program, internship, professional development and licensing all keep in mind the importance of maintaining the excellent professional standards currently seen in funeral service within Ontario.

A business plan developed for the 2002-2003 fiscal years, has become our guide to remind us of the standards we must maintain in public service, and the areas in which we seek improved quality. The Board had numerous successes in achieving its goals for 2002. More money has been spent on public awareness campaigns. More communications (through newsletters and information bulletins) have been made to the profession. Time lines around the handling of complaints have been reduced. We seek to continue to educate people about our role, and to take effective action when complaints are received.

After six years as a member of the Board of Funeral Services, I have completed the allotted maximum term on this Board. It has been a pleasure to work with the other members of the Board, the Registrar (Joseph Richer), the staff and management team in the Board offices, and members of the profession as a whole. The citizens of Ontario are well served by this Board, and I am confident that those members who remain on the Board will continue the focus on professional standards and public protection.

Dr. Bill Steadman
Chair

Our Commitment to Excellence

As we sit in anticipation of the introduction of a bill around new legislation, I can't help but think of how many times this has happened during the Board's long history. The members and staff of the current Board have a vision for the consumers of Ontario and all remain steadfast in our quest for the highest consumer protection we can deliver – especially in these uncertain times. Our successes in 2002 demonstrate this dedication and the business plan will continue to be our road map in 2003.

With our commitment to education of both consumers and licensees, we strive to be a leader in funeral service regulation in Canada. Anticipated new legislation promises new tools for us to continue to be successful in carrying out our mandate, even as the landscape changes. I am enthusiastic about the challenges that new legislation will bring and look forward to the opportunities that lie ahead.

By providing the members of the Bereavement Sector Advisory Committee an opportunity to have input very early in the drafting process, the government has demonstrated its commitment to the sector. An enormous amount of work has gone into the preparation of the anticipated legislation, – but much more remains to be done. As the members of BSAC worked diligently to craft their submissions, I think many people gained a greater appreciation for the challenges that the government faces in establishing a bright future for the Bereavement Sector in the new millennium. I have grown to appreciate the dedication and commitment exhibited by the staff at the Ministry of Consumer and Business Services, having had the opportunity to work very closely with several of them. I have seen first hand the tireless efforts and personal sacrifices that many of the staff make everyday.

Despite the turmoil and uncertainty in which the Board has operated and must continue to operate, it has exhibited strength of character, which allowed it to hit most of its business plan targets for 2002 and will allow it to achieve even more success in 2003. Throughout this report, you will see a demonstration of improved quality of service and effectiveness in fulfilling our consumer protection mandate.

In the face of so much uncertainty, the members of the Board and staff should be applauded for their dedication to the consumers of Ontario. In particular, I would like to thank Dr. Bill Steadman for his tireless efforts over the six years that he served on the Board and most recently as Chair in 2002.

Joseph Richer

Registrar

2002 *Business Plan Achievements*

In 2001, the Board worked hard to develop a business plan that would clearly articulate the priorities and goals for the years 2002 and 2003. The Board identified that in order to carry out its mandate and achieve its vision, it must focus on four "Strategic Outcomes":

- ◆ Maintaining High Levels of Consumer Protection
- ◆ Advancing Service Excellence Through Professional Development
- ◆ Increasing Public Awareness
- ◆ Managing Uncertainty

Each of these Strategic Outcomes drives the Board's activities and provides a framework for setting annual targets. A report card was developed by the Board to measure its performance against its 2002 targets. Highlighted below are the Board's numerous achievements this year.

STRATEGIC OUTCOME 1 - MAINTAINING HIGH LEVELS OF CONSUMER PROTECTION

Maintaining high levels of consumer protection requires the Board to continue to efficiently carry out thorough site inspections and ensure high levels of compliance to standards. In addition, it must handle consumer enquiries, concerns and complaints in an effective and timely manner. Effective management of the Compensation Fund is important for continuing to provide financial protection for consumers in the event of the mishandling of trust monies.

INSPECTIONS BROUGHT UP-TO-DATE

One of the Board's goals in this area was that on average, all funeral homes and transfer services would be inspected within a 3-year period and a target of 200 inspections would be made in 2002. The Board was successful in completing 89% of the target inspections, despite turnover in staff, and currently, there are no businesses whose last inspection was earlier than 1999.

COMPLAINT RESOLUTION PROCESS IMPROVED

The Board is also pleased to announce that it was able to exceed its targeted percentage of complaints mediated by staff from 25% to 35% this year.

DEVELOPMENT OF A RISK-BASED INSPECTION PROGRAM

The aim of this program is to be able to tailor inspection frequencies of licensees based on past levels of compliance. In 2002, staff initiated the development of Phase One of the program, which will allow staff to begin assigning a rating, based on past levels of compliance. Inspection staff also implemented a process whereby a licensed operator, to whom multiple licences have been issued, will be required to make recommended changes in all its locations.

HEALTHY COMPENSATION FUND

The Board's target for this year was to maintain a healthy fund that is well in excess of the \$500,000 minimum. The Board is pleased to announce that the Fund is currently at \$1.7 Million and continues to accrue interest. A strong investment strategy for the Fund was also identified with the trustee.

Increasing consumer awareness continues to be a key focus for the Board. This year we ran an ad about prepaying which was published in print media at least 30 times, as well as in a radio campaign, which ran over 200 times.

STRATEGIC OUTCOME 2 - ADVANCING SERVICE EXCELLENCE THROUGH PROFESSIONAL DEVELOPMENT

The Board believes that consumer protection is best provided when supported by a professional development program that continuously raises industry professionalism and education. The Board has recently reviewed funeral service education in Ontario and has developed an implementation plan based on the recommendations in the report.

FUNERAL SERVICE EDUCATION REVIEW IMPLEMENTATION PLAN INITIATED

The Board focused on plans for labour mobility as one of the areas for early implementation. To continue to move this initiative forward, the Registrar met with representatives from five other Canadian jurisdictions in June 2002 to discuss labour mobility among other issues. Board staff contacted regulators to learn about their operational plans for labour mobility, and a competency profile is in its final stages of drafting. Finally, a report card that will be used to report on actions to date has also been prepared.

PROFESSIONAL DEVELOPMENT 2002 A SUCCESS

The program held in April 2002 in Toronto was a success as indicated through very positive licensee evaluations.

PROACTIVE COMMUNICATIONS WITH THE PROFESSION

In addition to the 2001 Annual Report, three newsletters were published and distributed last year. The Board also made presentations at seven provincial and district association meetings, receiving positive feedback in every case.

ACTIVE PARTICIPATION IN THE BEREAVEMENT SECTOR ADVISORY COMMITTEE (BSAC)

The Committee was created to advise on future governance arrangements for the Bereavement Sector in Ontario. The Board has had regular, on-going communication with the Committee. During 2002, the Board participated in every BSAC meeting. The Registrar has also been actively involved with Ministry of Consumer and Business Services staff regarding draft legislation.

STRATEGIC OUTCOME 3 - INCREASING PUBLIC AWARENESS

The Board of Funeral Services believes that increased public awareness and education will ultimately lead to increased levels of consumer protection. Increasing the profile of the Board, and educating consumers on the need to deal with duly licensed funeral establishments or transfer services will continue to be a key area of focus.

PUBLIC AWARENESS ON THE RISE

The goal of the Board was to substantially increase its level of public awareness expenditure and activities. This goal was accomplished through communications through both radio and print media. A notice was published in the Toronto Star in February 2002 in a "Death and Taxes" insert. Notices were published in 30 community papers across Ontario, as well as some magazines. In addition, radio spots ran in the late spring on CFRB, three times per day for 10 weeks. These activities resulted from a welcomed increase in public awareness budget from \$60,000 to \$100,000.

CONSUMER ACCESS TO THE BOARD MADE EASIER

One of the goals of the Board was to make it as simple as possible for consumers to access the Board for information and advice. The Board was able to significantly improve consumer access by including contact information (e.g. mailing, web site, e-mail, toll-free number) on all of its publications and numerous notices to the public.

INFORMATION PACKAGE ENFORCES CONSUMER PROTECTION

An information package has been prepared for consumers who have concerns about a licensee and may want to file a complaint. In addition, a Complaint Form has been developed which can be accessed on the Board's web site.

WEB SITE ENHANCEMENTS IMPROVE COMMUNICATIONS

Numerous additions have been made to the web site such as links to Ontario and Federal Government web sites regarding death and bereavement information. Newsletters and Annual Reports continue to be added as they are published. Industry associations and consumer representative groups have also been surveyed to identify other value-added enhancements.

STRATEGIC OUTCOME 4 - MANAGING UNCERTAINTY

Given the enormous amount of uncertainty that arose from the recommendations of the review of the seven Delegated Administrative Authorities and more specifically, the anticipated legislative reform for the bereavement sector, the Board strongly believes that the key to its ongoing success will be maintaining a focus on its mandate and operational delivery. The Board is periodically revisiting and if necessary, adjusting its goals to ensure that it is on track in achieving its Strategic Outcomes. The Board is also committed to maintaining ongoing communications with staff and the profession at large.

NO LOSS OF FOCUS ON CURRENT MANDATE AND OPERATIONAL DELIVERY

The goal of the Board is to ensure that there is no decline in the numbers of inspections, service quality or stewardship of the Compensation Fund throughout the business planning period. In 2002, 177 inspections were completed despite some staff turnover. A survey on inspections revealed a high level of support for the current program and the level of service provided.

BOARD ACCOUNTABILITY STRENGTHENED

A report card has been developed to monitor and evaluate actions taken to achieve goals set for the year. In order to ensure financial accountability, the Board also struck an Audit, Finance & Risk Committee to review the auditor's report, as well as to review the Board's investments and expenditures on a regular basis.

STAFF KEPT APPRISED OF BSAC DEVELOPMENTS

It is important to keep staff informed and up-to-date with relevant events – particularly during the current BSAC process. To ensure accurate information is made available to all staff, the Registrar holds staff meetings after every Board meeting and delivers monthly written update messages often including submissions made to MCBS.

ONGOING COMMUNICATION WITH THE PROFESSION

The Board provides regular notices and updates to keep licensees informed of ongoing initiatives, such as the Education Review, and where appropriate, the events resulting from BSAC. For example, the report on the Education Review was made available to those attending Professional Development 2002. Reports around the Education Review, BSAC, regulatory changes from the Ministry of Environment and new privacy legislation were published in the newsletters produced during 2002. A notice of changes in process to register deaths was also sent out to each establishment when the Ontario civil service strike began.

Board Committee Updates

The Board of Funeral Services has established eight Committees and Teams, which together enable the Board to carry out its operational delivery mandate and strive toward achieving its business plan Strategic Outcomes:

- ◆ Complaints Committee
- ◆ Discipline Committee
- ◆ Compensation Fund Committee
- ◆ Long Range Planning Committee
- ◆ Inspection Team
- ◆ Licensing Committee
- ◆ Education Review Implementation Committee
- ◆ Licensing and Administration Team

While the activities of each Committee or Team may contribute more directly to one or two specific Strategic Outcomes driving our Annual Business Plan, it is the combined efforts and cooperation of the Committees, Teams and the Board that has enabled the organization to achieve far greater success. Following are the reports of each of the Committee's and Team's findings, activities and accomplishments in 2002.

COMPLAINTS COMMITTEE

MANDATE

The mandate of the Complaints Committee is to consider and adjudicate consumer complaints regarding the action and conduct of any licensee. The Committee's activities and efforts support the Board in achieving its Strategic Outcome of "Maintaining High Levels of Consumer Protection".

NUMBER OF COMPLAINTS

The Board of Funeral Services received 23 complaints between November 1, 2001 and October 31, 2002, a reduction from 38 complaints during the previous fiscal year. Of these, 20 were dealt with in 2002 and 3 will be carried forward into fiscal year 2003. Two complaints were closed when the licensee's personal and business licences were revoked.

Of the 26 complaints reviewed by the Committee between November 2001 and October 2002, the Board's fiscal year, 8 were received in fiscal 2001 and 18 in fiscal 2002. The Committee made recommendations in favour of the complainant in 9 cases, one of which was referred to the Discipline Committee for a hearing. In 8 cases, no action was recommended.

AN INCREASE IN MEDIATED COMPLAINTS

One of the goals in the Board's business plan was to increase the percentage of mediated complaints from the current level of 25%. The Committee is again pleased that the staff was able to mediate 35% of the complaints, which exceeded the target of 25%. Of the 9 mediated resolutions, 6 resulted in refunds or price reductions to the consumer for a total value of over \$4,405. Three of the complaints reviewed by the Committee were made by individuals within the profession, which represents a drastic reduction from past years. The Committee is pleased to see that licensees are not using the complaint mechanism to resolve business disputes, as was once the case. Either party may appeal the Complaints Committee's decision to the Licence Appeal Tribunal ("LAT"). LAT heard appeals of two complaints in 2002 and in both cases, it upheld the Complaints Committee's decision.

In order to assist licensees to gain a good understanding of the types of issues that result in complaints, the Committee explains significant decisions in the Board's newsletter. The Complaints Committee prepared two articles for educational purposes in 2001.

NEW COMPLAINT FORM WELL RECEIVED

The Committee's introduction of a complaint form in 2001 has been well received by all parties involved. It has allowed the complainants to focus on the issues at hand, which in turn has facilitated the entire process. 16 information pieces about the complaint process were mailed out in 2002.

CONCERN OVER TYPE OF COMPLAINTS

The Complaints Committee is troubled by the fact that several of the complaints revolved around high-pressure sales tactics employed by non-licensed persons engaged to represent licensees. In all cases, the consumers were eventually satisfied, but the Committee believes that this highlights the need for clarification and strengthening of the requirements around who may represent a licensee in a transaction. The Committee anticipates that new legislation will address this issue for Ontario consumers.

Many licensees go above and beyond what is necessary to satisfy the concerns of the consumer. This is demonstrated by the high number of mediated resolutions. Licensees who are well versed in statutory and regulatory requirements, especially with regard to professional conduct, price lists, contracts, documentation and disclosure, can significantly minimize the risk of complaints.

TIMELY RESOLUTION OF COMPLAINTS

On average, the Committee made decisions about complaints or the matters were mediated within 106 days from the date they were received. While the Committee was not able to achieve its target of a 90-day turnaround as specified in the business plan, it is committed to this target and will continue to strive to improve the level of service.

The number of complaints received in 2002 was below average for the Board and represents a very small number compared to the over 80,000 deaths that are handled by Ontario licensees. This is also particularly telling, since the Board has committed a significant amount of resources to raising the public's awareness of the Board's existence and the fact that we sent out information packages to 86 consumers last year alone. This is a clear demonstration that consumers are being very well served by licensees.

Allan Lee

Chair

DISCIPLINE COMMITTEE

MANDATE

The mandate of the Discipline Committee is to hear cases involving allegations of professional misconduct against funeral directors. Cases are referred to the Discipline Committee by the Complaints Committee, the Executive Committee, and the Board itself.

The Discipline Committee follows the established procedures for hearings and independent legal counsel advises the Committee. The Board of Funeral Services is represented by legal counsel, and the member also has the right to be represented by legal counsel. Decisions rendered by the Discipline Committee can be appealed to the Licence Appeal Tribunal ("LAT").

The decisions of the Discipline Committee are published in the Board's newsletter and occasionally the Committee publishes articles that are intended to assist licensees in avoiding conduct that can lead to disciplinary action. The Committee's activities directly support the Board's business plan Strategic Outcome of "Maintaining High Levels of Consumer Protection and Advancing Service Excellence Through Professional Development".

CASES HEARD IN 2002

In 2002, the Discipline Committee heard three cases, two of which resulted in findings of professional misconduct and one case where the funeral director was acquitted. In a related matter, a funeral director's licence was revoked for his actions. No cases were moved forward from 2002 to 2003.

In one case, the Committee heard allegations that a funeral director had embalmed a body without specific authorization to do so. The Committee found the funeral director not guilty. As a result of the hearing, the Committee printed an article in the Board's newsletter reminding funeral directors to always obtain specific authorization before embalming a deceased person and recommended ways of ensuring that such authorization may be documented.

A funeral director was found guilty of professional misconduct under paragraph 44(a) (an act or omission inconsistent with the Act or regulations) for not refunding excess funds after prepaid services and supplies had been delivered. The funeral director was reprimanded by the Discipline Committee, was ordered to pay a fine of \$3217.13 within 30 days and was ordered to attend Professional Development 2003.

A funeral director pleaded guilty and was found guilty by the Discipline Committee of professional misconduct under paragraphs 44(o) and 44(u) of Regulation 470 under the *Funeral Director and Establishments Act* (the 'Act'). Paragraph 44(o) is signing or issuing a certificate, report or other document that contains a statement the licensee knows or ought to know is false, misleading or otherwise improper. Paragraph 44(u) is acting in a manner relevant to the practice of funeral directing that, having regard to the circumstances, would reasonably be regarded as unprofessional conduct. The Agreed Statement of Facts presented to the Discipline Committee stated that when the funeral director worked at the funeral home, he accepted cash from a family as payment for funeral services, but did not remit the full payment to the funeral establishment.

The Discipline Committee accepted the joint submission of the parties and ordered that the funeral director be reprimanded, the fact of which is to be recorded on the register; that he be suspended for eighteen months; that conditions be placed on his licence restricting supervision of students and the handling of cash; and that he pay a fine of \$8,000.

RELATED MATTER

In a disciplinary related matter, on April 3, 2002, the Registrar proposed to refuse to renew a funeral director's licence and a funeral home licence. The proposals were issued because the Registrar had evidence that, among other things, some prepayment funds had been received, but never placed in trust, as required by the *Funeral Directors and Establishments Act*.

All fines that are ordered by the Discipline Committee are paid into the Province's Consolidated Revenue Fund.

Rick Pedder

Chair

COMPENSATION FUND COMMITTEE

MANDATE

The Compensation Fund Committee administers the affairs of the Prepaid Funeral Services Compensation Fund, which provides compensation to consumers when prepayment funds are mishandled. The activities of the Committee are in direct support of the business plan Strategic Outcome "Maintaining High Levels of Consumer Protection".

CLAIMS PAID

In 2002, the Committee approved 8 of 9 claims on the fund and paid out a total of \$63,458. All of the approved claims resulted from the misappropriation of prepayment funds by one licensee. The Registrar revoked the licences issued to the funeral home and the funeral director, who owned and managed the business.

In all cases, claimants must support their claims to the Committee by providing sufficient documentation. Two claims in respect of the funeral home whose licence was revoked will be carried forward to 2003. They are valued at approximately \$15,000.

EFFECTIVE MANAGEMENT OF THE COMPENSATION FUND

During the year, the Committee reviewed the fund finances with the Trustee to ensure the Fund is fully diversified and secured. The Board's 2002 business plan target of maintaining a healthy fund well in excess of \$500,000 minimum has been achieved. The fund is currently at \$1.7 Million and continues to accrue interest.

On behalf of the Committee, we would like to thank the staff for their excellent work, and the Board for its support.

Thomas (Tom) Preston
Chair

LONG RANGE PLANNING COMMITTEE

MANDATE

The Long Range Planning Committee is responsible for identifying Board actions and activities that extend beyond the traditional business planning cycle.

SIGNIFICANT ACHIEVEMENT ATTAINED

This year, the Long Range Planning Committee has been key in ensuring that the Board achieves its 2002 business plan Strategic Outcome of "Increasing Public Awareness". The Board's commitment to achieving this outcome was clearly demonstrated by increasing the financial commitment to the public awareness program by approximately fifty percent over the previous year. The Committee focused many of its public awareness efforts in major publications and on two major radio stations, as well as involving community-based newspapers.

Although the success of the outreach program is difficult to monitor, there have been many favourable comments, from both the public and the profession. The Board will continue to invest in innovative efforts to make the public more aware of its existence and service options available to them as public awareness is felt to be a significant component in improving consumer confidence and protection.

The Committee would like to thank the staff and the Board for their continuing support.

Thomas (Tom) Preston
Chair

THE INSPECTION TEAM

MANDATE

Using its well-documented inspection process, the inspection staff makes significant contributions to assist the Board in fulfilling its mandate. The inspection team takes a balanced approach to its duties, using both enforcement and education to achieve high levels of compliance from Ontario licensees. This approach has been well received by licensees, as has been demonstrated by positive responses to quality assurance surveys conducted by the inspection team over the past few years.

A BUSY AND PRODUCTIVE YEAR

This has been a busy and productive year for the Board's inspection staff. During the year, we added one new member to our team when one of our team members retired. Our newest team member is a funeral director, the first to be hired in several years. We look forward to her contributions to the team.

During its 177 inspections, it uncovered over \$23,000.00 in refunds that were due to consumers.

Inspections	177
Regular	150
New Premises or New Ownership	23
Premises Closed	4
Blueprints Reviewed	3
Refunds-Excess of Prepaids	\$23,618.06

Higher levels of compliance are demonstrated by a noticeable reduction in the average number of items identified in inspection letters. A reduction from 8.5 in 2001 to 7.3 in 2002 and a reduction in the severity of issues of non-compliance were also noticed by the inspection team.

The team's commitment to strong service delivery is exhibited in its ability to reduce the average time that it takes to get the inspection letters out to licensees after an inspection has been conducted, dropping from 12 days in 2001 to 8 in 2002. It is also committed to effecting appropriate changes based on licensee feed back that it garners in its survey of those who were inspected in the previous year.

We surveyed every licensee who had undergone an inspection in 2002 and we will make every effort to address any concerns raised. These results will be reviewed and appropriate changes effected. This exercise reflects the Board's corporate goals and values and allows the Board to ensure that the needs and interests of one of its most important stakeholders are identified. To date, we have had a 70 % response to the survey and the results are very favourable. The managers have also made several recommendations that the team will look to address.

INVESTIGATIONS

In 2002, the Board opened 36 investigations and closed 26 investigation files. Of the files closed, two ended up as complaints before the Complaints Committee and two ended up before the Discipline Committee. The inspection staff investigated a number of occurrences involving a variety of problems including: theft of prepaid funds, unlicensed retailers offering services to the public and accepting prepayment funds and investigations involving misappropriation of prepaid trust funds.

In some cases, these investigations resulted in the allegations being unfounded. In others, caution letters were sent out to the involved parties with some required to present themselves before the Discipline Committee.

OBSERVATIONS ABOUT OVERALL COMPLIANCE

In addition to the decrease in the number of non-compliance issues, the inspection team has also witnessed a decrease in the severity of non-compliance issues. We believe that the balanced approach taken in our enforcement program and the openness and transparency of the inspection program have contributed significantly to this end.

Admittedly, while it is difficult to assess the direct impact this has had on the consumer's experience, the documentation that the staff is seeing in licensees' files would suggest that consumers are receiving more accurate records and information, which we would suggest contribute to more positive experience for consumers.

CONTRIBUTION TO PROFESSIONAL DEVELOPMENT

The inspection team's contribution to the Board's Professional Development program, "Effective Record Keeping," was again very well received by licensees. This educational session provides licensees with a broad overview of the requirements under the statute and regulations and allows licensees an opportunity to ask questions and discuss matters with the inspection team and their peers. This session continues to be refined based on comments provided by licensees following the sessions. Given the success of the program, we plan to continue to make it available and continue to listen to the profession's concerns and needs.

The inspection team's contribution to the Board's Newsletter has also generated praise from licensees. In particular, its recent series on what an inspector looks for, has allowed licensees to conduct a self-evaluation of their practices before the inspector even arrives.

Associations have welcomed the inspection team to their meetings, allowing them time to address the membership and allow licensees to discuss matters in a less formal environment.

WHAT'S IN STORE FOR NEXT YEAR

With the inspection team back at a full complement, we expect to reach our target of 200 inspections. Next year we will be using a newly developed risk-based scheduling program, which will allow us to make the most effective use of our resources. This program will target those licensees who have demonstrated a lower level of compliance while acknowledging those who have a proven record of high compliance. The risk-based program will allow us to focus on helping those licensees most in need of assistance and education to achieve higher levels of compliance.

We will continue to contribute to licensee's education through the professional development program and the Board's newsletter, which we believe has already provided positive results. The inspection team will revise their program for Professional Development 2003 to address the areas of development identified by licensees in 2002, thereby keeping the program current and most helpful to licensees. The inspectors will also continue to attend association meetings, which will allow them an opportunity to consult with this stakeholder group.

René Brakel

Manager, Inspections & Investigations

LICENSING COMMITTEE

MANDATE

The Licensing Committee is a very active Committee, composed of three persons, one of whom must be a public member of the Board. The Committee considers all matters that are referred by the Registrar regarding the eligibility of applicants for licences or licence renewals. The Committee also considers any other matters related to licensing such as examinations, internship programs and professional development. The members are committed to improving the licensing process and education of funeral directors in the Province. The Committee's efforts are in support of the Board's Strategic Outcomes of "Maintaining High Levels of Consumer Protection and Advancing Service Excellence Through Professional Development".

In addition to its regular duties, the Committee continues to focus on plans for the future. Over the past year, the Committee met at least once a month and dealt with a number of important issues.

PROFESSIONAL COMPETENCY PROFILE

This year the Committee continued the development of the Professional Competency Profile for an Ontario funeral director. The document will aid the Board in its commitment of ensuring that the people of Ontario are served by funeral directors who meet high standards of learning, competence, and professional conduct. The document will be utilized as the foundation for many Board-related issues, including, labour mobility initiatives, review of academic curriculum and professional development programs. It is expected that this document will be approved by the Board and become a working copy in the New Year.

PROFESSIONAL ACCREDITATION

The Committee continues to support Humber College and Collège Boréal with their endeavour of becoming accredited by the American Board of Funeral Service Education (ABFSE). In April 2002, representatives from Humber College were able to attend a workshop hosted by the ABFSE in Dallas, Texas. This was in conjunction with the International Conference of Funeral Service Examining Boards (ICFSEB) annual convention. The colleges continue to work very hard at meeting the qualifications for accreditation. Accreditation will provide a greater number of employment opportunities and attract more candidates to the profession. A workshop is planned for Ontario sometime in the next 6 months.

PROFESSIONAL DEVELOPMENT PROGRAM

Throughout the year, the Committee is heavily involved with the development, planning and evaluation of the annual Professional Development Program. As stated in the Board's business plan, the Committee is committed to achieving a high level of professional standards through the provision of quality education to funeral directors. PD 2002 Toronto was held in April. Students from both colleges were invited to attend, however, due to scheduling conflicts students from Collège Boréal were unable to attend. 330 funeral directors and 72 students attended the one and one half-day program this year. The Committee is proud to say that the program was very well received, as indicated by the positive feedback received on the program evaluation surveys completed by participants.

PRACTICAL EXAMINER'S HANDBOOK

The Committee held a Practical Examiner's Meeting in May 2002. At this meeting we were pleased to distribute a Practical Examiner's Handbook that has been developed by the Licensing Committee over the past few years. The handbook was developed to ensure uniformity of examinations, the maintenance of embalming standards and to aid the examiners in assessing the ability of candidates to embalm and meet the criteria developed by the Board.

LICENSING EXAMINATIONS

The Committee is responsible for preparing and marking each examination written by a potential licensee. Licensing exams were reviewed and updated to reflect the ongoing changes in the funeral profession. The Committee was pleased

to present awards to Kimberley Darnell of Humber College and Yvon Brais of Collège Boréal for achieving the highest marks on the Licensing exams for their respective college.

Members of the Committee, the Manager of Licensing and Administration, the Registrar, the Board and its staff are to be applauded for their dedication, hard work and many contributions to the issues that the Licensing Committee faced this year.

Patrick McGarry

Chair

EDUCATION REVIEW IMPLEMENTATION COMMITTEE

Over the past year, the Implementation Committee has been working hard to implement the recommendations from the Education Review Report. It has been very rewarding to see the initiative move from recommendations on paper to actual programs and practices that are up and running. Many changes have already been made and many more are underway. We have developed a report card to track our progress. This will encourage momentum, raise accountability and increase the transparency of the process.

PROFESSIONAL COMPETENCY PROFILE FOUNDATION FOR NEXT STEPS

One of the major new pieces of work to come out of the Education Review is the Professional Competency Profile. The profile was developed with the help of many Ontario funeral directors over the course of several months. It lists, in great detail, virtually every task a funeral director performs in the course of his or her duties, effectively helping to track all of the skills a funeral director needs. The profile will serve as a very useful checklist to plan and assess funeral service education and professional development requirements. It is a comprehensive document, and while its development delayed action on some of the recommendations, we felt it to be an invaluable tool for ongoing educational development within the profession and one that justified taking the time to get it right.

CREDIT-BASED PROFESSIONAL DEVELOPMENT OPTIONS IN SIGHT

We are also working to develop a credit-based program for Professional Development, which will vastly increase choice and accessibility to continuing education programs. Guidelines and outlines for potential programs are well underway. This is one example of an area where the Professional Competency Profile will be important. We will be able to use it to quickly and easily measure, approve and monitor the relevance of current and future professional development programs.

We will also be launching a pilot project for preceptor training at PD 2003 Toronto. This program will "teach funeral directors to teach aspiring funeral directors", providing heightened coaching and mentoring for interns.

We are beginning the process of creating the position of a Professional Competence Officer and looking to secure a strong candidate to fill this important position. The person will be a member of the Board of Funeral Services staff and will work closely with the Board and the Colleges as a person dedicated solely to education issues.

The Implementation Committee has made some exciting steps forward this year. We will continue to keep you informed of our ongoing progress.

Scott Doney

Chair

LICENSING AND ADMINISTRATION TEAM

MANDATE

In addition to being the first point of contact for the public and the profession and fulfilling licensing duties, the Licensing and Administration team also provides a number of functions required to support the Board's day-to-day operations.

NEW POSITION

In 2002 the licensing and administrative staff added a Coordinator Administrative Services position as a result of added responsibilities to the licensing and administrative team. The introduction of this position will also assist us to enhance service delivery to the public and profession.

LICENCE PROCESSING MORE EFFICIENT

We accomplished our goal to reduce our processing time by one full week from the previous year, hitting our target of having all 3,000 licences issued by the end of January.

As part of our ongoing commitment to fulfilling our consumer protection mandate, we revised the licensing application requirements for new businesses and those where ownership changes, to include background checks on all individuals having beneficial interest in the operations of the applicant.

Statistics for 2001/2002

Registrations and licences issued

	#
Active	1804
Inactive	695
Conditional	15
Resigned	0
Revoked	1
Suspended	1
Emeritus	44
Re-instated	6 under Agreement
Registered Transfer Service Operators	5

Licences

Offering Services to the Public
Not Offering Services to the Public
Conditional
Revoked
New establishments
Number of establishments purchased (Asset & Share)
Closed

Funeral Establishments

579
2
1
1
10
11
5

Transfer Services

26
2

Starting in 2002, we began issuing more formal proposals and orders to licensees. Using the full range of tools at our disposal has allowed us to deal with matters more quickly and provide licensees with clear options and rights of appeal. This initiative resulted in twenty-five (25) proposals being issued in 2002. There were no successful appeals to the Licence Appeal Tribunal ("LAT") and in a few cases licensees took quick action to avoid any disruption to their licences.

Proposals and Orders	Funeral Director	Funeral Establishment	Transfer Service
Licence revocations	-	1	-
Conditional licence proposals	9	1	-
Refusals to issue licences	2	-	-
Refusals to renew licences	5	4	1
Suspension orders	1	1	-

PRECEPTOR TRAINING PROGRAM DEVELOPED

A survey of licensees about the development of a preceptor training program has prompted the Board to develop a training program for preceptors who are responsible for overseeing candidates through their internship. In 2003, the Board anticipates delivering a pilot of the preceptor training program to assist in the development of strong, well-trained funeral directors.

NEW INTERNS

With 79 interns beginning their internships in 2002, it is important that we do our utmost to provide a positive learning experience for these future licensees.

Exams attempted in 2002:

	Licensing December 2001	Licensing June 2002	Active/Inactive Exams	Re-instatement Exams
Intern candidates	18	99	-	-
Other candidates	1	-	1	-

PROFESSIONAL DEVELOPMENT

The positive response received from registrants to PD 2002 Toronto demonstrates that the Board is providing a program that is relevant to the profession. Incorporating licensee feedback from the yearly evaluations assists the Board in presenting a diverse and interesting program. Many funeral service education students attended the one and one half-day event, with positive feed back from both licensees and students for this initiative.

WEB SITE ENHANCEMENTS

The addition of some new links to government web sites enhances the site and provides added value for consumers. Two links to provincial sites will allow consumers to get information about "What to do when someone dies" and easy access to Ontario laws and regulations. A link to the Government of Canada's Consumer Information Gateway also allows consumers to link directly to any number of consumer related sites. The addition of the Board's newsletters and annual reports also allows consumers and licensees to access current releases from the Board. We plan to begin archiving back issues of the newsletter and annual report for continued access in the future.

As part of our commitment to promoting consumer awareness and communication with licensees, we have begun to collect input about the web site and how we can enhance it even more. We will assess comments received from consumers and licensees alike and do our best to meet their needs.

IMPROVING INFORMATION AND ACCESS TO SERVICES

The Board again met its target of publishing three newsletters and plans to do the same in 2003. The enhancements to the newsletter have also been well received by licensees. Changes to include the Board's contact information on all documents published by the Board including licences, should assist in providing consumers better access to our services. All establishment licences issued in 2003 will include the Board's address, toll free number and web site address.

COMPLAINT AND DISCIPLINE TRACKING

Enhancements to the complaint & discipline tracking components of our database developed over the past year are operational and will continue to be refined to meet our needs.

GOALS AND OBJECTIVES 2003

The following are some of the goals and objectives the licensing and administrative staff have set for 2003:

- ◆ Wherever possible, implement changes to the web site as a result of input from consumers and licensees
- ◆ Develop pilot preceptor training program as part of Professional Development 2003
- ◆ Identify possible partners for the delivery of Professional Development 2003 in Thunder Bay – seek out other jurisdictions that may be interested in sharing costs and benefits of such a partnership
- ◆ Enhance our communication strategy to keep the profession aware of issues surrounding the introduction of legislative changes – links on our web site and special mailings wherever necessary
- ◆ Update the Board record management system, improve filing of hard copy files and soft copy files and develop a record retention system in accordance to accepted best practices
- ◆ Publish the Board's directory of licensees within 6 weeks of completing licensing – mid-March

Susan Beck

Manager Licensing and Administration

Financial Outlook

Harris & Wright audited the Board of Funeral Services and the Prepaid Funeral Services Compensation Fund. They reported that the financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2002. Complete financial statements are available from the Board of Funeral Services upon request.

AUDITORS' REPORT

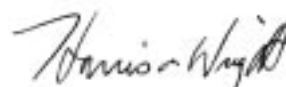
To the Directors of
Board of Funeral Services

We have audited the balance sheet of the Board of Funeral Services as at October 31, 2002 and the statements of income and expense, surplus, and changes in cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2002 and the results of its operations and the changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.

Toronto, Ontario December 20, 2002


Chartered Accountants

BOARD OF FUNERAL SERVICES
(Under the *Funeral Directors and Establishments Act, 1989*)

BALANCE SHEET
October 31, 2002

Comparative
2001

ASSETS

Current assets:

Cash and bank	\$ 31,315	\$ 24,397
Investments (Note 3)	2,149,917	2,362,347
Sundry receivables (Note 4)	90,747	77,779
Prepaid expense	39,965	17,035

2,311,944 2,481,558

Capital assets - at cost: (Note 2a)

Office furniture and equipment	206,941	183,334
Leasehold alterations	21,353	19,751

228,294 203,085

Less - Accumulated depreciation 120,047 97,050

108,247 106,035

\$ 2,420,191 \$ 2,587,593

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	\$ 42,269	\$ 51,576
Deferred licence fee revenue (Note 2b)	200,950	199,965
Payroll and sales taxes payable	82	9,287

243,301 260,828

2,176,890 2,326,765

Surplus **\$ 2,420,191 \$ 2,587,593**

BOARD OF FUNERAL SERVICES

STATEMENT OF INCOME AND EXPENSE

Year ended October 31, 2002

		Comparative 2001
INCOME		
Funeral Directors' licence fees	\$ 377,100	\$ 371,500
Funeral Establishments' licence fees	806,875	803,325
Transfer Service licence fees	14,615	15,890
	1,198,590	1,190,715
Duplicate certificates	310	460
Student registration fees	4,050	5,250
Student examination fees	16,000	15,950
Professional development	62,834	56,857
Investment income	104,926	141,466
Administration fees - Compensation Fund	5,000	5,000
Sale of Directories, Acts and Miscellaneous revenue	10,614	7,238
Reimbursement - Ministry of Consumer and Business Services	41,079	37,239
	1,443,403	1,460,175
EXPENSE		
Salaries, benefits and compensation	\$ 594,855	\$ 550,116
Transportation and communication	266,763	325,361
Services	513,207	444,590
Supplies and equipment	218,453	212,846
	1,593,278	1,532,913
NET INCOME (LOSS) FOR YEAR	\$ (149,875)	\$ (72,738)

BOARD OF FUNERAL SERVICES

STATEMENT OF CASH FLOWS

Year ended October 31, 2002

		Comparative 2001
CASH PROVIDED FROM (USED IN) OPERATIONS		
Net income (loss) for year	\$ (149,875)	\$ (72,738)
Items not affecting working capital:		
Depreciation and amortization	23,537	20,775
Working capital from (used in) operations	(126,338)	(51,963)
Net change in non-cash working capital (see below)	(53,425)	(51,607)
Cash provided from (used in) operations	(179,763)	(103,570)
CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		
Capital asset additions	(25,209)	(23,581)
Write down of expired capital assets	(540)	-
Increase (decrease) in cash	(205,512)	(127,151)
Cash at beginning of year	2,386,744	2,513,895
CASH AT END OF YEAR	\$ 2,181,232	\$ 2,386,744
Cash at end of year represented by:		
Cash	\$ 31,315	\$ 24,397
Investments	2,149,917	2,362,347
	\$ 2,181,232	\$ 2,386,744
NET CHANGE IN NON-CASH WORKING CAPITAL		
Increase (decrease) in:		
Current assets:		
Sundry receivables	\$ 12,968	\$ 10,227
Prepaid expense	22,930	284
	35,898	10,511
Current liabilities:		
Accounts payable and accrued liabilities	(9,307)	(41,901)
Deferred licence fee revenue	985	1,575
Payroll and sales taxes payable	(9,205)	(770)
	(17,527)	(41,096)
NET INCREASE IN NON-CASH WORKING CAPITAL	\$ 53,425	\$ 51,607

NOTES TO FINANCIAL STATEMENTS

Year ended October 31, 2002

1. MISSION

The mission of the Board of Funeral Services (the Board) is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

Corporate Goals and Values:

- Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act.
- Supplying information to consumers about their rights.
- Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board
- Developing and implementing educational programs for funeral service and transfer service providers.
- Consulting with stakeholders in order to ensure their needs and interests are identified.
- Developing recommendations to the Government on legislation, regulation, policy and practices.

The Minister of Consumer and Business Services retains responsibility for Ontario's consumer protection legislation and regulation and oversees the quality of services provided by the Board.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Depreciation

Depreciation on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are written off over the term of the lease.

(b) Deferred licence fee revenue:

Deferred licence fee revenue represents the prepaid portion of fees that pertain to the last two months of the calendar year.

3. INVESTMENTS - Market value \$2,225,542 (2001 - \$2,425,478)

			Comparative 2001
PRIN-CANADA - 2.985%, maturing October 1, 2003	\$	199,999	\$ -
TD Canadian Money Market		50,170	-
Canada Bond - 4.367%, maturing December 1, 2005		199,999	-
Canada Bond - 5.082%, maturing June 1, 2008		999,999	-
Ontario Savings Bond CS02 2.75%, maturing June 21, 2009		500,000	-
Province of Ontario - 4.407%, maturing December 6, 2002		199,750	-
TD Bankers Acceptance - 2.74%, maturing November 28, 2001		-	180,526
Mercury REC Senior Commercial Paper - maturing August 28, 2002		-	421,846
Mercury REC Senior Commercial Paper - maturing February 25, 2002		-	1,160,386
TD Bank BDN - maturing August 14, 2002		-	599,589
	\$	2,149,917	\$ 2,362,347

4. SUNDRY RECEIVABLES

			Comparative 2001
Interest receivable	\$	55,830	\$ 44,457
Ministry of Consumer and Business Services - reimbursement		24,401	20,994
Compensation fund and miscellaneous revenue		10,516	12,328
	\$	90,747	\$ 77,779

5. LEASE COMMITMENTS

Office space is leased under a long-term agreement expiring September 1, 2006. Autos, which are leased for the inspectors, have lease expiry dates of May 2004 and September 2004. Future minimum rental payments under the leases with expiry dates of one year or more consisted of the following at October 31, 2002:

2003	\$	44,263
2004		30,984
2005		15,060
2006		13,805
	\$	104,112

6. The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund that was established under the *Funeral Directors and Establishments Act*, 1989.

PREPAID FUNERAL SERVICES COMPENSATION FUND(Under the *Funeral Directors and Establishments Act*, 1989)**BALANCE SHEET**

October 31, 2002

Comparative
2001**ASSETS****Current assets:**

Cash:

Toronto Dominion Bank	\$ 24,552	\$ 20,682
Toronto Dominion Trust Account	3,585	22,447
Interest receivable	3,961	4,255
Settlement receivable	-	4,800
	32,098	52,184

Investments - at cost (Note 4)

(Market value \$1,668,508; 2001: \$1,702,317)	1,686,208	1,652,269
	\$ 1,718,306	\$ 1,704,453

LIABILITIES**Current liabilities:**

Accrued trust administration fee	\$ 4,998	\$ 5,250
Accrued administration costs	5,000	8,000
Accrued legal fee	4,288	-
Accrued audit fee	2,500	5,416
Sales tax and sundry	302	762
	17,088	19,428

Surplus

1,701,218	1,685,025
\$ 1,718,306	\$ 1,704,453

STATEMENT OF INCOME AND EXPENSE

Year ended October 31, 2002

Income:

Initial payments	\$ 3,600	\$ 4,320
Capital gains distributions	21,071	14,536
Interest and dividend income	82,578	86,663
	107,249	105,519

Expense:

Administration costs	5,000	5,000
Bank charges	43	-
Prepaid funds compensated	63,458	54,866
Professional fees	7,203	2,916
Trust administration fees	10,552	10,572
Unrecovered settlement undertaking	4,800	-
	91,056	73,354

Excess of income over expense

\$ 16,193	\$ 32,165
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