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| **Department of Health**  Performance Support Program – Class B Cemetery Trusts  2022-23 Annual Report |

# **Summary of Performance Support Program**

* As part of the Class B Cemetery Trust Performance Support Program, six (6) Class B Cemetery Trusts were selected for review in the financial year 2022/23. Each review assessed the Trust’s governance systems, processes and practices, and identified opportunities to strengthen existing practices based on the review period (the 2021-22 financial year).
* This annual report provides a summary of the common themes identified through the 6 performance reviews. These findings should be considered by other trust members and staff to determine whether there are similar areas for improvement at their Trust. *(Refer Appendix A for summary of findings per scope area over the past six years)*

# **Financial Management**

## Financial Strategy and Budget

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| Issue? | Why is this important? | Action |
| Majority of the Trusts had no financial budget, forecast or strategy in place to plan and manage the long-term viability of the Trust. | Cemetery trusts must consider the costs of operating and maintaining a cemetery into perpetuity.  A long-term financial strategy and budget will help Trusts to manage their resources more effectively and efficiently. | Develop and document a long-term financial strategy to assist in managing the long-term sustainability of the Trust, which may include:  Financial Objectives  Budget Positions  Regular reporting of actual vs forecast  Investment strategy  Refer to:  Budget template and financial budget strategy guidelines available at [Class B cemetery trust financial reporting and financial procedures](https://www.health.vic.gov.au/cemeteries-and-crematoria/class-b-cemetery-trust-financial-reporting-and-procedures)  Cemetery Sector Governance Support Program newsletter. Edition 1, 2024 at [Cemetery sector newsletters](https://www.health.vic.gov.au/cemeteries-and-crematoria/cemetery-sector-newsletters) |

## Financial Policies and Procedures

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| Issue? | Why is this important? | Action |
| Some of the Trusts do not have documented financial policy and procedures in place for the following:   * Recording of financial transactions * Banking and reconciliation processes * Segregation of duties * Cash handling (if applicable) * Personal expense reimbursements * Financial delegation guideline * Security of financial information & controls guideline. * Invoicing & receivables * Purchasing & payables * Reporting of financial position * Donations * Fundraising | The failure to establish documented policies and procedures creates a risk that financial processes are either not undertaken or inadequately undertaken. | Trust should formally document its financial processes.  Refer to:  [Financial Guidelines for Class B Cemetery Trusts](https://content.health.vic.gov.au/sites/default/files/migrated/files/collections/policies-and-guidelines/f/financial-guidelines-for-class-b-cemetery-trusts-pdf.pdf) |

# **Governance**

## Instrument of Delegation

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| Issue? | Why is this important? | Action |
| Majority of the Trusts do not have an Instrument of Delegation in place to delegate the Trust’s authority to employees or Trust members to undertake functions and powers under the Act. | An Instrument of Delegation is required when the Trust wants to delegate its functions and powers. | The Trust should create its own Instrument of Delegation and position descriptions for employees and trust members, clearly describing their responsibilities.  Refer to:  Instrument of Delegation Template and  Factsheet *Delegating Cemetery Trust powers* at [Class B cemetery trust governance](https://www.health.vic.gov.au/cemeteries-and-crematoria/class-b-cemetery-trust-governance)  Position descriptions at  [Trust member, chairperson and secretary position description templates](https://www.health.vic.gov.au/cemeteries-and-crematoria/class-b-cemetery-trust-governance) |

## Conflicts of Interest

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| Issue? | Why is this important? | Action |
| Some Trusts do not have policies and procedures for managing conflicts of interest.  A conflict of interest is a conflict between your duty as a trust member and your private interests. This conflict exists if your private interests influence, or are seen to influence, your decisions or actions as a trust member. | Cemetery trust members have a duty to place the public interest above their own interests. This helps to maintain the public’s confidence in the ability of trust members to act in the best interests of the trust and Victorian communities.  Under clause 9 of schedule 1 of the *Cemeteries and Crematoria Act 2003*, trust members are required to disclose any interest that could conflict with the proper performance of their duties. | The trust should document its Conflicts of Interest policy and procedure. A conflict of interest register must also be maintained by the Trust.  Refer to:  Guidance at [Conflicts of interest and duty as a board director](https://www.boards.vic.gov.au/conflicts-interest-and-duty-board-director)  Factsheet  and  Conflict of Interest Management Plan Template at  [Class B cemetery trust governance](https://www.health.vic.gov.au/cemeteries-and-crematoria/class-b-cemetery-trust-governance) |

# **Risk Management**

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| Issue? | Why is this important? | Action |
| Majority of the Trusts do not perform adequate risk management activities. | Failure to identify/assess risks may prevent the Trust from taking action to remove or mitigate potential risks resulting in potential financial or reputational impact on the Trust. | Identify, assess, document and manage key risks for the Trust and strategies in place to mitigate risks by developing the following:  • Risk Management Strategy  • Risk Register  • Fraud Policy  • Protective Data Security Plan  Refer to:  Risk register at [Sample Risk Register](https://www.health.vic.gov.au/publications/sample-risk-register)  Template at [Fraud and corruption control and public interest disclosures](https://www.health.vic.gov.au/cemeteries-and-crematoria/fraud-corruption-control-and-public-disclosures)  Records management handbook at [Cemetery trust records management](https://www.health.vic.gov.au/cemeteries-and-crematoria/cemetery-trust-records-management)  Protective Data Security Plan guidance at [Office of the Victorian Information Commissioner](https://ovic.vic.gov.au/information-security/agency-reporting-obligations/class-b-cemetery-trust-stakeholders/) |

# **Contract Management**

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| Issue? | Why is this important? | Action |
| Several trusts had no documented policies and procedures around contract management. In particular, a requirement for a formal assessment to measure the performance of contractors. | Policies and procedures around contract management provides guidance to the Trusts and their contractors. It also provides a framework to assess contractors’ performance. | The Trust should consider adopting the procurement and contract management policies, guides and tools provided on the DH website.  Refer to:  Contractor policy template  and  Purchasing and tendering policy template  at [Policy templates](https://www.health.vic.gov.au/cemeteries-and-crematoria/policy-templates) |

# **Complaints Management**

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| Issue? | Why is this important? | Action |
| Some trusts do not have an established complaint management process.  A complaints register includes:  Date received  Details of complaint  Complainant details  Outcomes/findings from investigations  Actions taken to resolve  Date resolved | A formal complaint management process will assist the Trust to effectively address customer complaints, identify causes, prevent recurrences, and minimise the Trust’s risk of reputational damage. | The trust should develop a complaints policy outlining how complaints will be lodged, investigated and responded to.  Refer to:  Guidance at [Cemeteries and crematoria complaints](https://www.health.vic.gov.au/cemeteries-and-crematoria/cemeteries-and-crematoria-complaints)  Complaints policy template at [Policy templates](https://www.health.vic.gov.au/cemeteries-and-crematoria/policy-templates) |

# **Human Resources**

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| Issue? | Why is this important? | Action |
| Some trusts have issues in relation to Human Resources particularly in the following areas:  Establishment of formal employment contract  Process for assessing staff performance | A contract of employment formally documents the obligations and expectations on the employee so if an employee fails to meet the terms and conditions of employment the trust can rely on the contract.  It is important to establish a process for assessing staff performance to ensure all the roles and responsibilities are adequately and effectively executed. This will also help with timely identification and resolution of issues regarding staff performance. | The trust should ensure a job description is created and an employment contract is completed for its employees.  The trust should introduce processes to evaluate staff performance on a regular basis, i.e. annually.  Refer to:  Position descriptions available at [Class B cemetery trust governance](https://www.health.vic.gov.au/cemeteries-and-crematoria/class-b-cemetery-trust-governance)  Refer to relevant topic in the Manual for Victorian Cemetery Trusts available at [Cemeteries and crematoria](https://www.health.vic.gov.au/public-health/cemeteries-and-crematoria) |

# **Records Management**

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| Issue? | Why is this important? | Action |
| Some trusts have inadequate procedures for managing records including the security of storage, retention and disposal of Trust documents, which resulted in the loss of key documents.  The policy should include processes for ensuring compliance with Public Records Office Victoria Standards and legislative requirements including the *Cemeteries and Crematoria Act 2003* (the Act) and *the Privacy and Data Protection Act 2014*. | Inadequate management and security over trust records (such as interment records, financial records and other sensitive data) increases the risk of highly sensitive customer and Trust information being lost or misplaced.  This may result in the trust being in breach of the Act and privacy legislation. It may also result in reputation losses to the Trust. | The Trust should develop a Document Management Policy which provides guidance around the storage, retention and disposal of the Trust’s documents.  Refer to:  Records management handbook at [Cemetery trust records management](https://www.health.vic.gov.au/cemeteries-and-crematoria/cemetery-trust-records-management)  Refer to relevant topic in the Manual for Victorian Cemetery Trusts available at [Cemeteries and crematoria](https://www.health.vic.gov.au/public-health/cemeteries-and-crematoria)  Guidance on records required at State Archives at [Public Record Office Victoria](https://prov.vic.gov.au/recordkeeping-government/a-z-topics/cemeteries-class-b-trusts)  Protective Data Security Plan guidance at [Office of the Victorian Information Commissioner](https://ovic.vic.gov.au/information-security/agency-reporting-obligations/class-b-cemetery-trust-stakeholders/) |

**Appendix A Summary of Findings per scope area from 2017 to 2023**

The table below lists the number of findings identified over the last five years in each of the major scope areas:

The Trust should focus on the following key areas

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| **Areas of weakness** | **Possible consequences of**  **not taking action** |
| **Management of Trust Finances** – ongoing viability of Cemetery Trust | Trust does not use its resources effectively and efficiently and lacks sufficient funds for cemetery operations and to maintain the cemetery in perpetuity. |
| **Risk Management** – Performing and documenting risk assessments (Financial and Non-Financial) | Trust may not know or foresee risks that could result in potential financial or reputational impact on the Trust. |
| **Governance** – Proper authorisation for Trust officers or members to undertake functions and exercise powers under the Act.  (Instrument of Delegation) | Trust officers or members (the Secretary in particular) may undertake duties and exercise powers for which they do not have the appropriate authority. |
| **Contract Management** – Establishing formal performance processes with contractors | Risk that roles and requirements of contractors are not clearly agreed, and the Trust will not have a legal remedial arrangement in the event of a contract dispute or performance issues. |

**Appendix B Finalising the Performance Support Program Review report**

Trust must assign a reasonable time to complete the management action and be aware of the following:

* Leaving a high or medium risk finding unresolved may lead to serious consequences if the risk eventuates

***Suggested target date and action***:

* DH recommends that High and Medium risk actions should be completed within 8 months
* Where the action involves documenting processes or creating policies, the Trust should go to the DH website to identify whether there are templates available to be used, or seek assistance from another Cemetery Trust

The process flow chart below describes the steps that the Trust should follow after receiving the draft report from NTT:

Fieldwork

completion

Assign appropriate Trust member to Action

Finalise Report with

NTT

Review report and

amendments

Insert Target

Completion date

Discuss Trust Action plan and completion date with NTT

Insert relevant Trust Action Plan in the recommendation section

**Note**: Under section *12A(1)(i) of the Cemeteries and Crematoria Act 2003* (the Act) Class A cemeteries are required to provide leadership, assistance and advice as requested to Class B cemetery trusts

**Appendix C Useful References and Templates available to Trust**

Guidelines and Manuals

* Financial Guidelines Class B Cemetery Trusts
* Manual for Victorian Cemetery Trusts
* Secretary’s Directions to Cemetery Trusts

The following guidance can be found on the department’s website:

[Class B cemetery trust governance](https://www.health.vic.gov.au/cemeteries-and-crematoria/class-b-cemetery-trust-governance#roles-and-responsibilities)

[Cemetery sector newsletter](https://www.bing.com/search?pglt=41&q=cemetery+sector+newsletter&cvid=7c1ca7c4919445ca8fcf92feac90c852&gs_lcrp=EgZjaHJvbWUyBggAEEUYOTIICAEQ6QcY_FXSAQg1NjY1ajBqMagCALACAA&FORM=ANNAB1&PC=U531)

[Policy templates](https://www.health.vic.gov.au/cemeteries-and-crematoria/policy-templates)

[Cemetery trust insurance (VMIA) information](https://www.health.vic.gov.au/cemeteries-and-crematoria/cemetery-trust-insurance)

[Secretary’s handbook: guidance for Class B cemetery trust secretaries](https://www.health.vic.gov.au/cemeteries-and-crematoria/class-b-cemetery-trust-governance)

[Records management handbook: guidance for Class B cemetery trusts](https://www.health.vic.gov.au/cemeteries-and-crematoria/cemetery-trust-records-management)

[Cemetery trust member appointment documents](https://www.health.vic.gov.au/cemeteries-and-crematoria/cemetery-trust-member-appointments)

[Trust member, chairperson and secretary position description templates](https://www.health.vic.gov.au/cemeteries-and-crematoria/class-b-cemetery-trust-governance)

[Fraud and corruption control and public interest disclosures](https://www.health.vic.gov.au/cemeteries-and-crematoria/fraud-corruption-control-and-public-disclosures)

Templates

* Budget, cash management, complaints, gifts benefits and hospitality, memorialisation, monumental mason, risk register
* Fraud, Corruption Control and Protected Disclosure Framework
* Instrument of Delegation
* Protective Data Security Plan
* Conflict of Interest Management Plan
* Procurement
* Complaints
* Information on complaints available at [Cemeteries and](https://www.health.vic.gov.au/cemeteries-and-crematoria/cemeteries-and-crematoria-complaints) crematoria complaints and in the Manual for Victorian Cemetery Trusts
* Right of Interment
* Purchasing and Tendering Policy
* Contractor Policy
* Permit
* Fact Sheet

The Right of Interment Permit and Fact Sheet is available at

[Rights of interment](https://www.health.vic.gov.au/cemeteries-and-crematoria/rights-of-interment)