



# 1. SUMMARY OF REVIEWS COMPLETED IN 2016-17

As part of the Class B Cemetery Trust Performance Support Program, performance reviews were undertaken at five Class B cemetery trusts. Each review assessed the adequacy of the cemetery trust's governance systems, processes and practices, and identified opportunities to strengthen existing practices.

This annual report provides details of common findings identified through the performance reviews, which should be considered by all trusts to determine whether there are similar areas for improvement.

# 1.1 Common improvement opportunities, root causes and possible solutions

The following table summarises common control or process improvement opportunities identified in a number of the five audited cemetery trusts, along with root causes for the control and process issues.

#	Review area	Common issue noted across cemetery trusts	No. of trusts where finding was observed	Root causes	Possible solutions
1	Compliance with legislation	No formal processes to manage and communicate changes or updates to legislation to cemetery staff	2/5	Lack of knowledge on requirements to have processes for identifying and managing compliance with legislation	<ul> <li>It is recommended that:</li> <li>the department continues to disseminate information regarding changes to legislation affecting Class B cemetery trusts via their newsletter</li> <li>trusts refer to the <i>Manual for Class B cemetery trusts</i> to understand key legislation applicable to cemetery trusts</li> <li>trusts subscribe to free resources/newsletters to receive updates across various legislation (for example, WorkSafe e-newsletters for occupational health and safety (OHS))</li> <li>trusts ensure that changes to legislation communicated via department newsletters are read, discussed at the trust meeting and that actions required are allocated and documented in the meeting minutes</li> <li>trusts attend departmental governance training on cemetery-related cemetery issues.</li> </ul>
2	Compliance with the Cemeteries and Crematoria Act 2003	Insufficient supporting documentation obtained and	2/5	Lack of awareness of the requirement to record evidence that supporting documentation had	Trusts refer to Appendix 8 of the <i>Manual for Class B cemetery trusts</i> for guidance on supporting documentation to be sighted during interment authorisation.



#	Review area	Common issue noted across cemetery trusts	No. of trusts where finding was observed	Root causes	Possible solutions
		saved regarding interments		been sighted prior to interments No standard template to record evidence that required documentation had been sighted	<ul> <li>Evidence is recorded to substantiate that supporting documentation has been sighted prior to internment on an interment register listing details of:         <ul> <li>medical evidence sighted</li> <li>the date sighted</li> <li>the name and signature of the person sighting.</li> </ul> </li> </ul>
3	Oversight over trust decisions	Absence of an instrument of delegation	1/5	Lack of awareness on requirement to establish an Instrument of delegation for the trust	It is recommended that trusts read Topic 8 of the <i>Manual for Class B cemetery trusts</i> to gain an understanding of requirements surrounding completion of a formal instrument of delegation.  Trusts can use the department's <u>instrument of delegation template</u> <a href="https://www2.health.vic.gov.au/about/publications/formsandtemplates/delegation-instrument-class-b-trusts-with-no-paid-staff">https://www2.health.vic.gov.au/about/publications/formsandtemplates/delegation-instrument-class-b-trusts-with-no-paid-staff</a>
4	Management of trust finances	No formal processes in place to manage trust finances	5/5	Lack of expertise or resources to establish financial processes around asset management and budgeting	It is recommended that:  • trust members and personnel attend governance training offered by the department and refer to the following documents for guidance:  • Manual for Class B cemetery trusts  • Financial guidelines for Class B cemetery trusts  • as per the Cemeteries and Crematoria Act, Part 2, s. 12A(1)(i), Class A cemetery trusts provide leadership, assistance and advice as requested to Class B cemetery trusts (trusts can therefore approach Class A cemetery trusts for guidance on financial matters)  • if required, trusts can engage external providers for the provision of financial expertise or to train staff to ensure financial obligations are met.
5	Human resources (HR)	No formal HR recruitment policy, nor formal employment contracts for paid employees	1/5	Lack of knowledge and expertise of HR best practices and legislative requirements	It is recommended that:  trusts refer to the Cemeteries and Crematoria Association of Victoria (CCAV) employment contract template <a href="http://www.ccav.org.au/resources/general-information">http://www.ccav.org.au/resources/general-information</a> for developing contracts with existing or new employees  The department develops a standard set of policies and procedures for Class B cemetery trusts



#	Review area	Common issue noted across cemetery trusts	No. of trusts where finding was observed	Root causes	Possible solutions
					<ul> <li>trusts review the range of guides and tools published by the Victorian Public Sector Commission (VPSC) to assist public sector organisations surrounding the following areas, which could be utilised in developing their HR policies and procedures:         <ul> <li>Organisational dynamics – how cemetery trust manages and promotes organisational learning, better business practices and strategic management <a href="https://vpsc.vic.gov.au/workforce-capability-leadership-and-management/organisational-dynamics/">https://vpsc.vic.gov.au/workforce-capability-leadership-and-management/managing-staff/</a></li> </ul> </li> <li>Managing staff <a href="https://vpsc.vic.gov.au/workforce-capability-leadership-and-management/managing-staff/">https://vpsc.vic.gov.au/workforce-capability-leadership-and-management/best-practice-recruitment-and-selection/</a>.</li> </ul>
6	Procurement and contract management	Inadequate procurement and contract management processes	3/5	Insufficient expertise and understanding of procurement and contract management best practices	Trusts refer to Topic 25 of the <i>Manual for Class B cemetery trusts</i> and establish procurement practices consistent with the Victorian Government Purchasing Board (VGPB) procurement policies.  Trusts discuss significant building and construction purchases with the department before proceeding.
7	Records management	Inadequate management of records and documents	4/5	Inadequate storage facilities available to store cemetery records  Absence of effective and appropriate electronic storage devices	<ul> <li>It is recommended that:</li> <li>trusts follow Topic 23 of the Manual for Class B cemetery trusts to implement appropriate records management practices</li> <li>trusts refer to the Public Record Office Victoria (PROV) fact sheet Class B cemetery trusts – records required as State Archives</li> <li><a href="https://prov.vic.gov.au/sites/default/files/2016-05/1501fs1_0.pdf">https://prov.vic.gov.au/sites/default/files/2016-05/1501fs1_0.pdf</a> for information on records that must be transferred to PROV for retention as State Archives</li> <li>trusts to refer to PROS 15/01 Retention &amp; Disposal Authority for Cemetery and Crematoria Records</li> <li>https://prov.vic.gov.au/sites/default/files/2017-05/1501.pdf</li> </ul>



#	Review area	Common issue noted across cemetery trusts	No. of trusts where finding was observed	Root causes	Possible solutions
8	Complaints Handling	No documented process for the management of complaints or a register to record any complaints received	3/5	Lack of expertise to establish systems and processes for managing records Lack of knowledge of complaints handling best practise	It is recommended that trusts follow guidance from the following guidance documents to implement appropriate complaints handling practices:  • Manual for Class B cemetery trusts, Topic 24, Complaint Management  • Cemetery Sector Governance Support newsletter, Edition 2, 2017 <a href="https://www2.health.vic.gov.au/about/publications/factsheets/cemetery-sector-governance-newsletter-edition-2">https://www2.health.vic.gov.au/about/publications/factsheets/cemetery-sector-governance-newsletter-edition-2</a> > including Attachment 1: Managing complaints: a guide for cemetery trusts
9	Management of key risks	Inadequate procedures for identifying, documenting and managing key risks	4/5	Lack of knowledge of risk management best practice  Lack of standard risk management tools and templates and procedures	<ul> <li>Trusts establish a register to record all complaints received.</li> <li>It is recommended that:</li> <li>trusts refer to the Victorian Managed Insurance Authority's (VMIA's) Victorian Government risk management framework         <a href="https://www.vmia.vic.gov.au/risk/victorian-government-risk-management-framework">- for guidance on better practice and approaches to risk management</a></li> <li>trusts seek assistance from the VMIA Cemetery Advisory Team on 9270 6900 for day-to-day advice on risk management as well as general insurance queries and claim enquiries</li> <li>trusts review Topic 25 of the Manual for Class B cemetery trusts for guidance on risk management</li> <li>CCAV/VMIA provides training around risk management.</li> </ul>
10	Documentation of key processes to mitigate reliance on key personnel	Inadequate procedures for managing key personnel risks	2/5	Small number of resources prevents establishment of optimal segregation of duties	It is recommended that:  trusts establish and document procedures for key financial and operational activities based on guidance provided in the Manual for Class B cemetery trusts, taking into account specific requirements and trust available resources trusts request to see policies and procedures of Class A trusts or similar sized Class B trusts for reference.



#	Review area	Common issue noted across cemetery trusts	No. of trusts where finding was observed	Root causes	Possible solutions
				Lack of resources and time to document key processes	

The following section provides details of the findings from the performance reviews conducted at the five Class B cemetery trusts.



# 2. SUMMARY OF FINDINGS

# 2.1 Compliance with legislation

## **Learnings**

Our review revealed that two out of five trusts didn't have adequate processes in place for identifying and managing compliance with legislative and government policy requirements. While there were some actions undertaken by the trusts to identify and manage compliance with legislation, there were no clear processes to:

- manage changes and updates to legislation that are relevant to the trust
- communicate changes or updates of relevant legislation to cemetery staff
- update policies and procedures to ensure compliance with legislation.

### **Background**

Cemetery trusts in Victoria derive their duties and powers primarily from legislation. The Manual for Class B cemetery trusts recommends that every cemetery trust has, as a minimum, a copy of the following:

- Cemeteries and Crematoria Act 2003
- Cemeteries and Crematoria Regulations 2015.

Appendix 4 of the manual refers to examples of other Victorian legislation that affects cemetery trust operations.

Furthermore, the department recommends that cemetery trusts register with relevant industry bodies like the CCAV that provide understanding, assistance, discussion and alliance for the Victorian cemetery and crematoria industry.

#### **Root cause**

Lack of knowledge on the requirement to have processes for identifying and managing compliance with legislation.

#### Recommendations

- The department continues to disseminate information regarding changes to legislation affecting Class B cemetery trust via their newsletter.
- Trusts refer to the Manual for Class B cemetery trusts to understand key legislation applicable to cemetery trusts.
- Trusts subscribe to free resources/newsletters to receive updates across various legislation (for example, the WorkSafe e-newsletters for OHS)
- Trusts ensure that changes to legislation communicated to trusts via newsletters are read, discussed at the trust meeting and actions required are allocated and documented in the meeting minutes.
- Trusts attend departmental governance training on cemetery-related cemetery issues.
- Trusts record any changes to legislation in a master register and allocate an action owner and target date to update relevant policies and procedures.

#### **Examples of better practice**

Some good practices noted in some of the trusts reviewed included:

- Changes and updates to legislation relevant to the trust were recorded in a folder, along with minutes of the trust meeting where the changes were discussed.
- An action owner was assigned to each policy and procedure that required updating due to the changes in legislation, along with an assigned due date for updating.



# 2.2 Compliance with the Cemeteries and Crematoria Act

## Learnings

Our review identified that two out of five trusts were not able to demonstrate that the medical cause of death had been sighted prior to internment in accordance with requirements of the Cemeteries and Crematoria Act.

### **Background**

- Certifying the medical cause of death and keeping a record of that certification is one of the most fundamental responsibilities of a cemetery trust under the Act. These processes are explained in Topics 12 and 23 of the Manual for Class B cemetery trusts.
- Appendix 8 of the Manual for Class B cemetery trusts provides a list of the document requirements for interments and cremations. Typically the following documents can be sighted or provided with an interment application:
  - o a notice under s. 37 (2) of the Births, Deaths and Marriages Registration Act 1996
  - a copy of an order made by a coroner under s. 47 of the Coroners Act 2008
  - if the deceased died in another state, territory or overseas, a document that is compliant with s. 37(2) of the Births, Deaths and Marriages Registration Act (notification of death by doctors)
  - documents for a stillborn child.

#### **Root cause**

Lack of awareness of the requirement to document evidence that the medical cause of death had been sighted prior to interment.

#### Recommendations

- Trusts refer to Appendix 8 of the Manual for Class B cemetery trusts for guidance on supporting documentation to be collected during interment authorisation.
- Evidence is recorded to substantiate that supporting documentation has been sighted prior to internment on an interment register listing details of:
  - o medical evidence sighted
  - o the date sighted
  - the name and signature of the person sighting.

#### **Examples of better practice**

N/A



# 2.3 Oversight over trust decisions

## Learnings

One out of the five trusts reviewed did not have an instrument of delegation in place to delegate the trust's authority to officers to undertake functions and powers under the Act.

## **Background**

Governance is about how a public entity such as a cemetery trust is controlled and manged, including the authority, stewardship, leadership, direction and control exercised with the cemetery trust. Good governance provides the framework and foundation for a cemetery trust's performance. It enables the trust to perform its functions and obligations efficiently and effectively, and to respond in an appropriate and strategic manner to changing demands and conditions.

#### Delegation of powers

Section 15 of the Cemeteries and Crematoria Act provides for a trust to delegate its powers and functions under the Act to authorised officers. Delegations are made formally by the cemetery trust at a trust meeting. The delegation of powers and duties must be in writing and recorded in the minutes of the relevant trust meeting. The chairperson of the cemetery trust must sign an instrument of delegation on behalf of the cemetery trust.

It is important that a trust has sufficient policies in place to ensure adequate oversight of its decisions. A formally documented and authorised instrument of delegation by the trust enables trust officers to fulfil their role.

#### **Root cause**

Lack of awareness on the requirement to establish an instrument of delegation for the trust.

#### Recommendations

- Cemetery trusts read Topic 8 of the Manual for Class B cemetery trusts to gain understanding of requirements surrounding completion of a formal instrument of delegation.
- Trusts use the instrument of delegation template provided by the department.

### **Examples of better practice**

Formally documented and authorised instruments of delegation were observed in four out of the five trust reviewed.



# 2.4 Management of trust finances

## Learnings

For all five trusts trust reviewed, there was no documented financial budget, forecast or strategy in place to plan for and manage long-term viability.

# **Background**

Topic 26 (Financial Management) of the Manual for Class B cemetery trusts and the Financial guidelines for Class B cemetery trusts discuss the preparation of an annual budget. The department recommends that each trust prepares a budget statement for its own use for the coming financial year to be considered at a budget meeting held in April or May. The budget statement can include the following details:

- proposed expenditure on maintenance and development works
- anticipated revenue from the trust's fees and charges based on the anticipated number of burials/cremations
- goods and services tax (GST) collected on anticipated sales, less credit for GST on the anticipated purchases, assuming the trust is registered for GST and has an Australian Business Number (ABN)
- funds and investment on hand, in both the general account and perpetual maintenance account.

Once a budget has been agreed, the trust would be in a position to determine whether its current fees and charges are appropriate to meet its forward expenditure.

#### **Root cause**

Lack of expertise, understanding and resources to conduct a financial budgeting process.

#### Recommendations

- Trust members and personnel attend governance training offered by the department and refer to the following documents for guidance:
  - Manual for Class B cemetery trusts
  - Financial Guidelines for Class B cemetery trusts.
- As per the Cemeteries and Crematoria Act, Part 2, s. 12A(1)(i), Class A cemetery trusts are required to provide leadership, assistance and advice as requested to listed Class B cemetery trusts. Trusts can therefore approach Class A trusts for guidance on financial matters.
- If required, trusts can engage external providers for the provision of financial expertise or to train staff to ensure financial obligations are met.

# **Examples of better practice**

Comprehensive financial records maintained, with regular reporting provided to trust members each month at the trust meetings.



# 2.5 Human resources

## Learnings

Our reviews revealed that although the majority of trusts had established HR policies and procedures in accordance with best practice, one trust had no documented HR policies and procedures, with no formal employment contracts for their five paid employees.

### **Background**

Cemetery trusts are public sector bodies, therefore in establishing their HR policies and procedures, guidance applicable to the Victorian public sector can be applied as good practice.

Key employment powers include the capacity to appoint, promote, transfer and terminate employees' employment. When exercising their employment powers, public service and public sector body heads must comply with the public sector values, code of conduct, employment principles and standards issued by the Victorian Public Sector Commission.

#### **Root cause**

Lack of knowledge and expertise of HR best practice (for example, the VPSC guidelines).

#### Recommendations

- Trusts refer to the CCAV employment contract template <a href="http://www.ccav.org.au/resources/general-rusts">http://www.ccav.org.au/resources/general-rusts</a> refer to the CCAV employment contract template <a href="http://www.ccav.org.au/resources/general-rusts">http://www.ccav.org.au/resources/general-rusts</a> refer to the CCAV employment contract template <a href="http://www.ccav.org.au/resources/general-rusts">http://www.ccav.org.au/resources/general-rusts</a> refer to the CCAV employment contract template <a href="http://www.ccav.org.au/resources/general-rusts">http://www.ccav.org.au/resources/general-rusts</a> refer to the CCAV employment contract template <a href="http://www.ccav.org.au/resources/general-rusts">http://www.ccav.org.au/resources/general-rusts</a> refer to the contract of the contract rusts of the contr information> for developing contracts with existing or new employees.
- The department develops a standard set of policies and procedures for Class B cemetery trusts
- Trusts review the range of guides and tools published by the VPSC to assist public sector organisations surrounding the following areas, which could be utilised in developing their HR policies and procedures:
  - Organisational dynamics how cemetery trust manages and promotes organisational learning, better business practices and strategic management <a href="https://vpsc.vic.gov.au/workforce-capability-business">https://vpsc.vic.gov.au/workforce-capability-business</a> practices and strategic management <a href="https://vpsc.vic.gov.au/workforce-capability-business">https://vpsc.vic.gov.au/workforce-capability-business</a> practices and strategic management leadership-and-management/organisational-dynamics/>
  - Managing staff <a href="https://vpsc.vic.gov.au/workforce-capability-leadership-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/managing-and-management/management/managing-and-management/management/managing-and-management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/management/managem staff/>
  - Workforce capability <a href="https://vpsc.vic.gov.au/?s=Workforce+capability">workforce+capability</a>
  - Best practice recruitment and selection <a href="https://vpsc.vic.gov.au/workforce-capability-leadership-and-">https://vpsc.vic.gov.au/workforce-capability-leadership-and-</a> management/best-practice-recruitment-and-selection/>.

#### **Examples of better practice**

Some of the good practices identified at the trusts were documented procedures for:

- recruiting and appointing employees
- managing staff leave
- performance management •
- workplace conduct (bullying, harassment, etc.)
- completing annual staff and management performance reviews
- managing staff grievances and complaints.
- contracts setting out terms and conditions of employment.



# 2.6 Procurement and contractor management

## Learnings

The performance reviews identified that competitive procurement and tendering had not consistently been undertaken for suppliers who were providing regular services to the trusts. It is acknowledged that trusts in remote areas have limited access to choice in service providers; however, the department recommends (where practicable) all work undertaken by trusts that is not voluntary is subject to a contested process to obtain the most value for money.

Furthermore, our review identified that three out of five trusts did not have adequate processes in place for managing contracts, including no documented procedures setting out requirements for establishing and managing contractors and contractor performance. Furthermore, there were two instances where a formal contract and signed agreement was not in place with contractors who were providing regular works to the trust.

## **Background**

Topic 25 of the Manual for Class B cemetery trust and the purchasing guidelines set out in the Victorian Government Purchasing Board (VGPB) procurement policies provide guidance to the trusts on best practice procurement processes. The department recommends that trusts follow the VGPB's procurement policies.

VGPB policies relate to procurement of goods and services only. They do not apply to building and construction. Please discuss significant building and construction purchases with the department before proceeding.

#### **Root cause**

Insufficient expertise and understanding of contract management and procurement best practices.

#### Recommendations

Trusts refer to Topic 25 of the Manual for Class B cemetery trusts and establish procurement practices consistent with the VGPB's procurement policies.

Trusts discuss significant building and construction purchases with the department before proceeding.

#### **Examples of better practice**

N/A



# 2.7 Records management

## Learnings

Our review identified that four out of five trusts had not appropriately stored and secured records in accordance with requirements of the Manual for Class B cemetery trusts, with the following observed:

- absence of password protection on the cemetery storage devices and computer that stores interment applications
- absence of documented requirements for the storage, retention and management of records to help ensure all required records are retained.

### **Background**

Topic 23 of the Manual for Class B cemetery trusts discusses cemetery records. Under the provisions of the Information Privacy Act 2000 (Vic), cemetery trusts are required to protect the privacy of people from who they collect personal information including:

- the holder of the right of interment
- the person who signs the Application for interment authorisation form to authorise the interment.

The manual also recommends that copies of completed applications for interment authorisation forms are stored indefinitely by the cemetery trust either on hard copy or electronically.

It is recommended that personal details are kept confidential by the trust and particular care taken not to release information concerning the name and address of the next of kin or the holder of the right of interment.

Where information is stored electronically, the trust can have one or more back-up sets of its interment register and plans and other principal records stored at a location different from the working set in case of fire. Electronic records can be backed up on a disc in case of computer malfunction or burglary.

#### **Root causes**

- Inadequate storage facilities available to store cemetery records.
- Absence of effective and appropriate electronic storage devices.
- Lack of expertise to establish systems and processes for managing records.

#### Recommendations

- Trusts follow Topic 23 of the Manual for Class B cemetery trusts to implement appropriate records management practices.
- Trusts refer to the PROV fact sheet Class B cemetery trusts records required as State Archives <a href="https://prov.vic.gov.au/sites/default/files/2016-05/1501fs1\_0.pdf">https://prov.vic.gov.au/sites/default/files/2016-05/1501fs1\_0.pdf</a> for information on records that must be transferred to PROV for retention as State Archives.
- Trusts refer to PROS 15/01 Retention & Disposal Authority for Cemetery and Crematoria Records <a href="https://prov.vic.gov.au/sites/default/files/2017-05/1501.pdf">https://prov.vic.gov.au/sites/default/files/2017-05/1501.pdf</a>.

## **Examples of better practice**

One trust had established appropriate records management practices, including secure storage and retention of records in accordance with the manual, best practice and legislative requirements.



# 2.8 Complaints handling

# Learnings

Our review identified that three out of five trusts had not established sufficient processes for handling and responding to complaints, including a lack of a documented process and register to record complaints received. Cemetery trusts need to ensure they have adequate complaints management procedures to function as a responsible public body and make every reasonable attempt to resolve complaints and concerns.

# **Background**

Topic 24 'Complaints Management' of the Manual for Class B cemetery trusts provides some guidance to cemetery trusts regarding the management of complaints, including the following:

- Cemetery trusts need to ensure they have adequate complaints management procedures to function as a responsible public body.
- The trust must make every reasonable attempt to resolve complaints and concerns.
- If the trust requires advice on matters relating to complaints, it can contact the department.

#### **Root cause**

Lack of knowledge of complaints handling best practice.

#### Recommendations

- Trusts follow guidance from the following documents to implement appropriate complaints handling practices:
  - Manual for Class B cemetery trusts, Topic 24 Complaints Management
  - Cemetery Sector Governance Support newsletter, Edition 2, 2017 <a href="https://www2.health.vic.gov.au/about/publications/factsheets/cemetery-sector-governance-">https://www2.health.vic.gov.au/about/publications/factsheets/cemetery-sector-governance-</a> newsletter-edition-2> including Attachment 1: Managing complaints: a guide for cemetery trusts.
- Trusts implement a central register to record all complaints received.

# **Examples of better practice**

One of the good practices identified was a trust that records all customer complaints in a complaints register. Issues were managed and resolved by management, with the complaints register presented at trust meetings.



# 2.9 Management of key risks

# **Learnings**

Our review identified that four out of five trusts didn't have adequate procedures in place for identifying, documenting and managing risks. There were no processes in place to identify and manage the trust's risks, including risk registers, formal risk assessments and risk reporting. Furthermore, there was an absence of formally documented fraud policies and OHS policies to assist the trusts in managing OHS and fraud risks.

# **Background**

Topic 25 of the Manual for Class B cemetery trusts discusses the importance of risk management for cemetery trusts. Cemetery trusts have an obligation to regularly review all aspects of their operations to:

- identify potential risks
- take action to remove or diminish potential threats, harm and losses.

Matters for such a review include:

- asset management
- financial management and fraud
- HR management
- records management
- OHS
- asset security.

#### **Root causes**

- Lack of knowledge of risk management best practice.
- Lack of standard risk management tools and templates and procedures.
- Inadequate fraud awareness and protected disclosure.

#### Recommendations

- Trusts refer to the VMIA's Victorian Government risk management framework for guidance on better practice and approaches to risk management.
- Trusts seek assistance from the VMIA Cemetery Advisory Team on 9270 6900 for day-to-day advice on risk management as well as general insurance queries and claim enquiries.
- Trusts review Topic 25 of the Manual for Class B cemetery trusts for guidance on risk management.
- CCAV/VMIA provides training around risk management.

## **Examples of better practice**

The following good practices were identified at one of the trusts:

- OHS site risk assessments
- monthly staff tool box meetings to discuss OHS policies, procedures, hazards and address any staff
- reporting of OHS incidents to the trust.



# 2.10 Documentation of key processes to mitigate reliance on key personnel

## Learnings

Our review identified that two out of the five trusts did not have adequate documented processes setting out key financial and operational processes. As there are a limited number of staff working at the trusts, there is a risk that, in the event of staff absences, key processes and procedures could be inadequately performed by another staff member due to a lack of documented processes.

# **Background**

The department has developed Financial guidelines for Class B Cemetery trusts that earn gross revenue of less than \$80,000 per year and are predominantly manged by volunteer staff, to establish and maintain a set of minimum standard financial controls. The purpose of the guidelines is to help trusts implement appropriate financial controls over core financial processes. The guidelines also aim to improve trust members' understanding of the potential risks and issues associated with each financial process. The guidelines cover specific financial processes including:

- assets
- banking and reconciliation processes
- cash handling processes
- petty cash
- personal expenses
- grants, donations and fundraising
- financial delegations
- financial policies and procedures
- security of financial information and period review of controls
- invoices and receivables
- purchasing and payables
- reporting of financial position
- segregation of duties of trust office-bearers such as the secretary and chairperson
- wages and allowances.

Documented financial policies and operational procedures are a key part of trust governance and oversight because they provide:

- a clear reference point for the financial and operational management of the trust
- help to reduce errors
- an assurance that financial and operational processes are consistent and repeatable if the responsibility of trust members change or if new staff are employed.

## **Root cause**

Lack of resources and time to document key processes.

#### Recommendations

- Trusts establish and document procedures for key financial and operational activities based on guidance provided in the Manual for Class B cemetery trusts, taking into account specific requirements and resources available at the trust.
- Trusts request to see policies and procedures of Class A trusts or similar sized Class B trusts for reference.

### **Examples of better practice**

Three of the five trusts had documented procedures for key financial and operational processes including:

- burial
- interment
- cash handling and bank reconciliation
- receipting, invoices and receivables
- paying creditors.



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