



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

Establishing conditions for the provision of funeral and cemetery services and exercising control over their implementation

Performance audit

Audit period: 1 January 2017 to 30 June 2021

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



SUSTAINABLE
DEVELOPMENT
GOALS

Funeral and cemetery services implementation

Ministry of Economy, Tourism and Sport

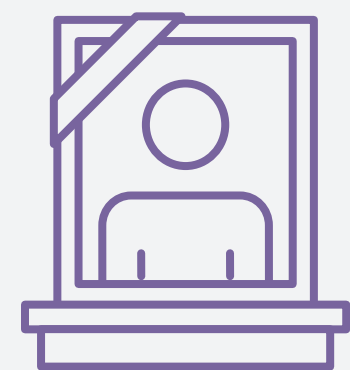
(former Ministry of Economic Development and Technology)

must prescribe the implementation of the funeral and cemetery services and undertake the control over them.



By 15/10/2017 municipalities had to adopt acts and harmonise services with the Funeral and Cemetery Services Act and regulations.

FUNERAL SERVICE:



24-hour standby service

- includes every “first transport” of the deceased
- is public utility service

WHO PERFORMS IT?

service provider selected by the municipality



commercial funeral service

- other transports of the deceased
- preparation of the deceased
- cremation
- planning and carrying out funerals

WHO PERFORMS IT?

service providers with the ministry's authorisation



CEMETERY SERVICE:



managing cemeteries

- providing tidiness of cemeteries, investments and investment maintenance
- rental of graves, keeping records and issuing agreements

WHO PERFORMS IT?

cemetery operators selected by the municipality



maintenance of cemeteries

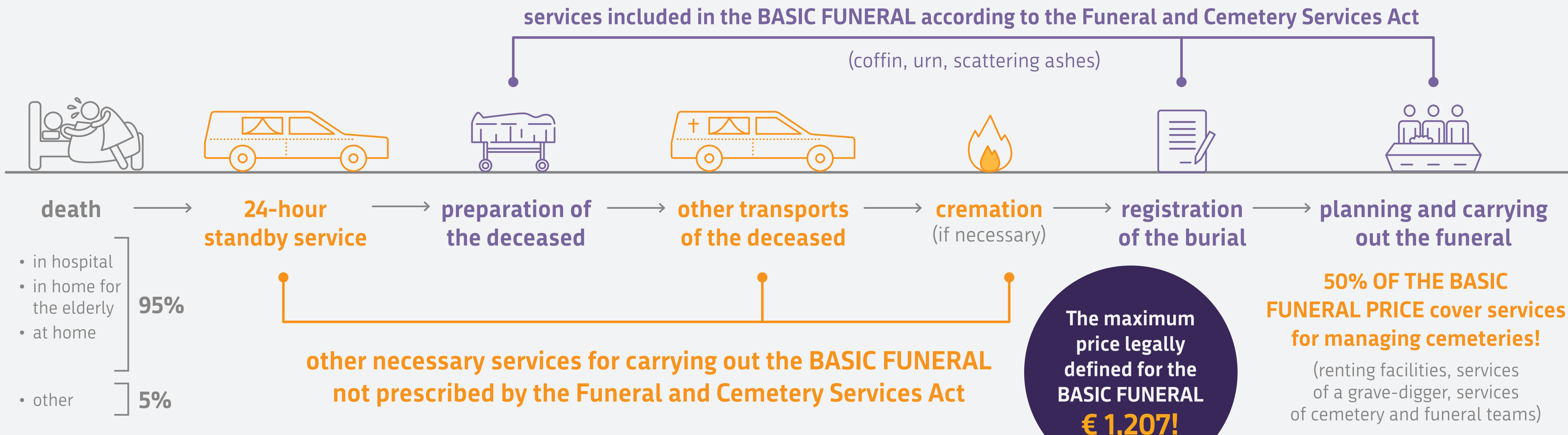
- investments in cemeteries and cemetery infrastructure

WHO PERFORMS IT?

a municipality



Carrying out funerals and their costs



CLIENT WHO ORDERS A FUNERAL and pays the total price of the funeral, namely:

BASIC FUNERAL	+	24-hour standby service	+	other transports of the deceased	+	cremation (if necessary)	+	additional services (flowers, music, singers, speakers, religious ceremony ...)
coffin € 533–1,207 urn € 313–1,500 scattering ashes € 207–1,207								
€ 207–1,500		€ 64–309		according to service provider's pricelist		cca € 200		according to service provider's pricelist

A TENANT OF A GRAVE pays:

grave lease
every year
€ 7–43

The cost of the BASIC FUNERAL usually exceeds the legally set highest price!

Material disclosed inefficiencies

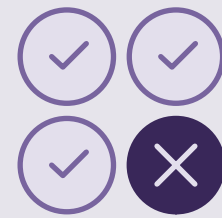


Shortcomings in 24-hour standby service arrangements

4 proposals for constitutional review!



ambiguous definition of 24-hour standby service
> **different interpretations of the Ministry and courts exceptions**, where the service is not necessary, **not defined**



> **the deceased is already on the appropriate premises**
> **the first transport is charged, even though it is not implemented**



price forming and payer **not set**
> **services not available under the same conditions**

EXAMPLE:
subcontractor implements services of 24-hour standby service provider at € 86, while **the clients is charged € 146**

EXAMPLE:
24-hour standby service provider **charges € 190 for 2 km**

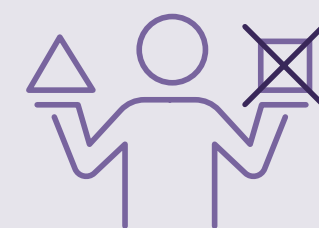


Limiting commercial funeral services



the basic funeral does **not include all necessary costs** for its implementation

> **payment of the basic funeral exceeds the legally set price of € 1,207**



even though funeral services are commercial services, **municipalities can define that a part of the funeral is implemented by the cemetery operator**

> **a client cannot select cemetery and funeral member teams**



competitive advantage of the 24-hour standby service providers
> **they get 90% of funerals**

Material disclosed inefficiencies



Weaknesses in regulating cemetery services



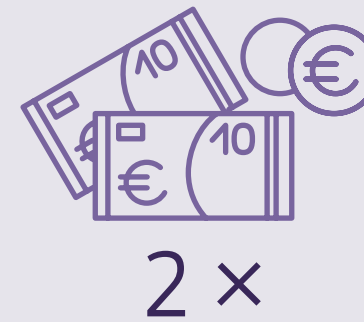
cemetery services are **not defined in the legislation** as public utility services

> **services not regulated**

(no methodology for defining prices of managing cemeteries, no standards and norms for cemetery services)

> **services are not available to all under the same conditions**

> **big differences in costs of services for managing cemeteries**
(from € 80 to € 1,505)



the act allows **double charging** for renting facilities, services of grave-diggers, services of cemetery and funeral member teams



even though public companies manage cemeteries in 40% of municipalities, the Ministry **failed to provide legal basis** for municipalities to directly define a public company as a cemetery operator



even though municipalities must ensure management of all cemeteries by 2026, and only 37% of the municipalities own them, the Ministry **failed to explain to them the right of disposal**

Material disclosed inefficiencies



Inappropriate implementation of other tasks



delays in preparation of regulations

> **service providers and municipalities could not harmonise the funeral services with the rules in due time**



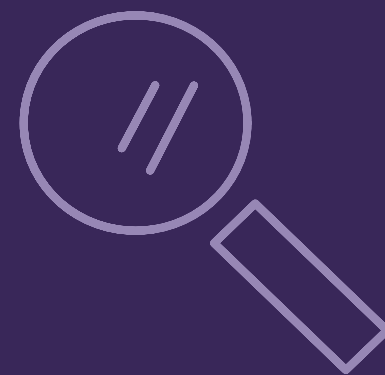
issuing permits for cemetery services **to providers who did not comply with all conditions**

> **inspection issued measures in all 45% of the reviewed cases**

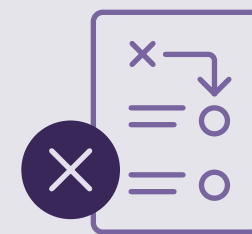


inappropriate records keeping on funeral service providers

> **a third of all data incorrect**

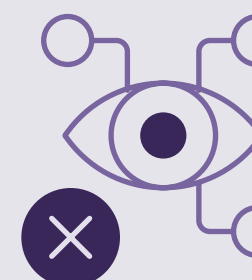


Insufficient control



the procedure of gathering and keeping data on harmonisation of services with rules **not set up**

> **complete and correct data not available**



failed to carry out controls over the harmonisation of the municipal rules and their implementation

> **incorrect implementation of services in some municipalities**



reporting of 24-hour standby service providers **not monitored**

> **irregularities in defining prices**

OPINION OF THE COURT OF AUDIT

— The Ministry was **inefficient** in establishing conditions for the provision of funeral and cemetery services and in exercising control over their implementation in the period covered by the audit.

The Court of Audit **demanded corrective measures from the Ministry** to remedy the disclosed weaknesses of regulations and proposed **recommendations** to improve the operations.

The number of municipalities which harmonised funeral and cemetery services adopted cemetery rules



provided managing of cemeteries



provided maintenance of cemeteries



provided 24-hour standby service



Consequences of inefficient operations of the Ministry



more than 3 years and a half after the legally defined date to harmonise the services **many municipalities failed to do so**



in some municipalities services were **implemented inappropriately**



services were not available to all **under the same conditions**