City of Bowling Green

Internal Auditor's Office

Cemetery Administration Audit

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Transmittal Letter

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CC: Brent Belcher, Parks and Recreation Director
       Beverly Fleenor, Cemetery Administrative Manager

Pursuant to the approved 2016/2017 Internal Audit Plan, I hereby submit the Cemetery Administration Audit. The objective of this audit is to review the general operations, cemetery sales and administration and burial, and internment services as compared to applicable laws, City policies, and best practices. The body of the report consists of observations, recommendations and management's responses to the recommendations.

Results in Brief

Based on the results of this audit, substantial opportunity exists for Cemetery Administration to improve its processes and become more efficient and accountable. The audit identified several areas where management, reporting and daily operations can be improved. Eight (8) recommendations are identified within this report to improve the operations of the City's cemetery services. The recommendations are as follows:

1. **Manual processes should be evaluated while focusing on streamlining processes, removing duplication and utilizing the City's software systems for reporting and to improve processes.**
2. **Management should review the agreement with the BG-WC Welfare Center and Warren County to determine if pricing should change or what steps should be taken when Fairview Cemetery runs out of pauper burial graves.**
3. **Cemetery basic mapping is a feature that the City included in the cemetery management software purchased in 2002; however no maps have been imported into the software. Management needs to review the basic mapping feature and consider upgrading and utilizing GIS mapping upgrade.**
4. **Management should review the contract payment process, consider updating the contract to a standard interest rate verses the current processing fees, transition to a more standardized term or payment per grave on contract, utilize technology to track contracts and create segregation of duties including reviews within the process.**
5. **Management should provide adequate monitoring and oversight to Cemetery Administration operations including creating standardized written operating procedures. Management should also evaluate current inefficient processes and management reporting structure to increase effectiveness and efficiency within the Cemetery.**
6. **Mount Moriah agreement should be revised to reflect actual operations and staff should work to collect the remaining records that were not provided by the Mount Moriah Cemetery Association when the agreement was executed.**

7. **Cemetery administration should move billing for St. Joseph burials to miscellaneous billing within our Finance Department and re-evaluate the pricing in conjunction with evaluation of City cemetery pricing.**
8. **Management should re-evaluate the two (2) part-time positions to ensure that they are categorized appropriately for the hours worked.**

It was a pleasure working with the Cemetery employees. The cemetery and burial services business that they operate is often an emotional setting and must be handled delicately when dealing with customers and families. The employees take a lot of pride in the services they provide and in the City's cemetery maintenance. It definitely shows in the beautiful cemeteries.

Sincerely,

Deborah Jenkins, CFE, CGAP, CICA
Internal Auditor

Background

The City of Bowling Green operates two active cemeteries known collectively as Fairview Cemetery. In 1864, 30 acres were purchased from William McNeal for $100.00 per acre along Cemetery Pike which is now known as Fairview Cemetery. The original 30 acres are known as Cemetery #1. Two Revolutionary War heroes are also buried here: Captain Robert Craddock and (Pierre') Peter Tardiveau. The Confederate Monument was erected in 1875, but there are no known records to show who is buried within this area of the cemetery.

Also in Cemetery #1 is the The Bloch Memorial Chapel. It is a beautiful old English country church of the Gothic period designed by J. M. Ingram and was built in 1938. The chapel is rented to families for burials, weddings, and other church functions.

In 1954, as Cemetery #1 was getting close to being sold out, the City of Bowling Green purchased land across Fairview Avenue for future burials. This additional cemetery land is known as Cemetery #2. The City currently owns, maintains and operates 109 acres for burial

rights. The addition of Cemetery #2 allowed the City to provide additional Veterans burial area in the front of the cemetery.

In 2001, as part of a Cemetery Master Plan, a Veterans Plaza was constructed to meet what was deemed the most critical need at that time. A fountain was also placed in the center of the plaza and this is where local veterans can choose to be buried.

Another recommendation from the 2001 plan was to consider increasing the cremation options to the cemetery. In 2007, a new scattering garden complete with a koi pond and cremation niches within two columbariums was created. There is also space for four (4) additional cremation columbariums to meet future needs.

The Fairview Cemetery Administrative offices are ran by an administrative staff of three.
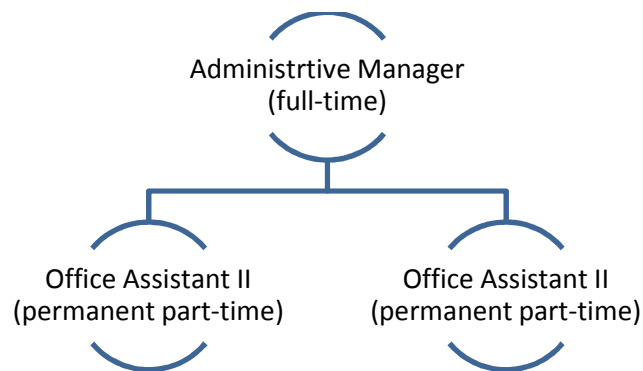
They are responsible for sales of burial rights, coordination of burials with funeral homes and families, overseeing monument placement and record keeping for the cemeteries.

The City also provides burial services for two privately owned cemeteries that are adjacent to Cemetery #1:
1. St. Joseph Cemetery Foundation contracts with the City to provide opening and closing of graves as well as providing related services such as providing tents and chairs for the graveside services. The City provides the services and bills an agreed upon amount to St. Joseph for the burial services
2. Mount Moriah Cemetery Association contracts with the City to provide opening and closing of graves, related services as well as maintenance and recording of burials. The City provides this service as a City burial and charges the same as a City Cemetery burial.

In addition to the three administrative positions, there are a total of seven (7) full-time and two (2) seasonal part-time positions that maintain the cemetery grounds, perform the opening and closing of graves, pour all foundations for headstones and complete various work orders throughout the City cemeteries. The fees charged are approved by the Board of Commissioners within the Parks and Recreation fees each year. The revenues are divided into the following categories listed within the chart below. The chart also summarizes the actual revenues over the past two fiscal years.

Cemetery Actual Revenues

DESCRIPTION	FY2015	FY2016
Cemetery Fees/ Weekdays	92,745.00	97,075.00
Cemetery Lots/ Full Payments	50,344.00	63,952.00
Cemetery Lots/ Monthly Payments	30,892.00	30,408.00
Cemetery Fees/ Saturdays	29,525.00	26,450.00
Cemetery Foundations	11,132.76	14,211.60
Cemetery Other Fees	7,245.00	8,045.00
Cemetery Fees/ Cremations	6,450.00	5,550.00
Cemetery Niche/ Full Payments	1,440.00	3,600.00
Cemetery Fees/ Processing Fees	1,560.00	1,365.00
Cemetery Late Fee Charges (after 3 p.m.)	2,200.00	900.00
Cemetery Niche/ Contracts	-	621.00
Cemetery Lots/ Infants-Youths	96.00	192.00
	233,629.76	252,369.60

Expenditures for the administration and maintenance of the cemetery for the past two fiscal years are listed below:

Cemetery Actual Expenditures

	DESCRIPTION	FY2015	FY2016
Administration			
	Personnel Costs	114,949.10	116,687.51
	Contractuals	5,276.71	5,053.30
	Supplies	2,415.40	796.81
	Veterans Plaza Memorial Supplies	1,036.85	1,304.74
	Administration Expenditures	**123,678.06**	**123,842.36**
Maintenance			
	Personnel Costs	390,472.02	375,996.62
	Employee Cell Phones	600.00	720.00
	Contractuals	67,955.67	68,957.25
	Supplies	32,034.92	28,810.18
	Maintenance Expenditures	**491,062.61**	**474,484.05**

The City cemeteries were supported by the general fund of the City budget by $381,110.91 in FY2015 and $345,956.81 in FY2016. Twenty percent (20%) of the cemetery lot fees and ten percent (10%) of the cremation niche fees are transferred into the City's perpetual fund for the ongoing maintenance of the cemeteries. The perpetual fund balance was $886,428.86 at the end of FY2015 and $917,235.52 and the fiscal year ending June 30, 2016. This interest from this fund is rarely used because the City relies on operational revenues and the general fund of the City to administer and maintain the cemeteries.

Objective
The objective of this audit is to review the general operations, cemetery sales and administration, and burial and internment services as compared to applicable laws, City policies, and best practices.

Scope
The scope of this audit included Cemetery Administration operations from January 1, 2015 through June 30, 2016.

Criteria and Approach
This audit was based on documented policies and procedures, as well as general best business practices. In order to accomplish the audit objectives, the following steps were performed within three phases:

1. Understanding the Process:
During phase one, an introductory meeting was held to discuss objectives of the audit work, collect information and documentation, and inform them why they were selected. I then conducted interviews and multiple observations at the Cemetery Administration Office to gain a general understanding of the operations. I also spent time with each of the three (3) staff members.

Site visits were conducted at Evansville, Indiana and Princeton, Kentucky cemeteries. The goals of the site visits were to see how GIS mapping features improved the operations at Princeton, Kentucky and to benchmark how they ran their cemeteries. At the larger Evansville, Indiana cemetery the goal was to benchmark how their operations were managed at a low general fund impact and how they were implementing the cemetery management software for the first time. The Cemetery Superintendent is also the Vice-President of the Indiana Cemetery Association and was very knowledgeable about running municipal cemeteries, which may be a good contact for our city cemetery operations in the future.

I also contacted nine (9) additional cities within Kentucky to discuss various areas of their operations related to cemeteries in their community. Bowling Green is by far the largest City in Kentucky who operates a general sale city cemetery.

2. Sample Determination and Detailed Testing:
During phase two, twelve (12) risk areas were identified and prioritized based on perceived control techniques, control weaknesses, as well as the impact to the effectiveness and efficiency of the division. A combination of complete data and randomized testing were performed based on the priority scale of risks identified.

3. Reporting:
During phase three, I analyzed and evaluated the results of the tests performed. I then summarized the observations and recommendations into a report format based on the analysis. A draft was provided to management for review and their management responses were incorporated into this report.

<u>Statement of Standards</u>

The audit was performed in accordance with generally accepted government auditing standards. Those standards required that I plan and perform the audit to afford a reasonable basis for judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls, compliance requirements under the law and regulations when necessary to satisfy the audit objectives. I believe this audit provides a reasonable basis for the conclusions.

<u>Audit Conclusion</u>

Based on the results of this audit, substantial opportunity exists for Cemetery Administration operations to improve its processes and become more efficient and accountable.

Observations and Recommendations

1. Manual processes should be evaluated while focusing on streamlining processes, removing duplication and utilizing the City's software systems for reporting and to improve processes.

Observation

Cemetery functions are mainly manual based processes which can lead to errors, duplication and inefficiency. Time was spent with each of the administrative staff members to learn how the cemetery operations were performed. The cemetery does have cemetery management software, but it is considered as another step in the manual processes and is not relied upon for reporting. The manual processes have been in place for many years prior to adding the software in 2002. The funeral internment request and burial process is a good example. When someone has passed away and wishes to be buried at Fairview Cemetery, the funeral home will fax an Internment Request to the Cemetery. Staff members go to the office on the weekends mainly to check the fax machine for Internment Requests. The administrative staff hand writes a duplicate of the Internment Request because they don't want to send the original to the maintenance staff for opening of the grave.

Upon receipt of the faxed Internment Request form, they confirm the pre-purchased grave site or work with the funeral home and family for purchase if a new grave purchase is needed. After the location of the grave is identified, staff makes a copy of the hand written map section to highlight the grave site; they make a copy of the multipage ledger book section showing all of the grave site names around the grave to be opened and staple the pages to the duplicate Internment Request. This packet of information is provided to the maintenance staff members for opening of the grave. Once the grave is dug and items prepared for the burial, the maintenance staff member signs the Internment Request and returns the paperwork to cemetery administration for filing.

There are multiple hand written books maintained within cemetery administration including:
- The "Black Book" which is organized by section, plat and grave number with owner and occupant listed.
- The "Burial Book" that holds the daily activity and funeral information and is what the staff uses as their main source for reporting and daily duties.
- The "Obit Book" is where they keep copies of any related obituaries that staff finds associated with the deceased.
- The "Red Book" is an index binder that shows the old cemetery burials. It is organized by name and page number to use as a cross reference when trying to locate an old grave.
- The "Ledger" holds burial and purchase information which is organized first letter of last name and by year.

In addition to the books maintained at cemetery administration, the City Clerk's Office maintains the official ledger books which is organized by section, plat and grave with owner and certificate number/deed information included.

There is no structured review process within cemetery administration so instances of errors such as incorrect name spelling, invalid or incorrect date entry and incorrect addresses were found

within several audit test areas. The monthly reports are created by a manual count from the Burial Book and a separate spreadsheet maintained for revenues verses using the cemetery management software and the city's financial software for reporting.

Risk
Relying on several manual processes which include duplication increases the risk of error and omission while decreasing the efficiency of operations.

Recommendation
Management should evaluate the manual and duplicated processes throughout cemetery operations and work to utilize technology available to streamline and increase the accuracy of information. Determine which books, if any, should be continued verses which processes could be moved to the software technology available. Source documents such as the internment request could be e-mailed to a central "cemetery" e-mail account that all administration employees could check instead of relying on faxed forms. The e-mailed forms could be imported into the software and other documents such as the obituary could be scanned and also attached to the burial record.

Management Response
BGPR Cemetery Administration will incorporate the recommendations during 2017 calendar year.

   2. **Management should review the agreement with the BG-WC Welfare Center and Warren County to determine if pricing should change or what steps should be taken when Fairview Cemetery runs out of pauper burial graves.**

Observation
The City of Bowling Green provides a free grave to people who pass away and obtain approval through the Welfare Center for a pauper burial. A sample of the form that families are required to complete is included in Attachment B. In addition to pauper burials, there are also unclaimed bodies that require an order from Warren County Judge Executive Michael Buchanon for burial. The difference between the two is that a pauper burial must certify that the deceased did not own property, have life insurance or have the means to pay for the burial; however, an unclaimed body is when the deceased does not have any family or the family refuses to be responsible for the body. An unclaimed body can result from the deceased being homeless at the time of death, living in a nursing home with no known relatives or have family issues where family is unwilling to take the responsibility for the body.

Under Kentucky State Statute (KRS 72.450), Kentucky counties through the coroner's office are responsible for pauper burials at the expense of the Fiscal Court. The City of Bowling Green is not responsible for pauper burials under state law, but has conducted pauper burials on behalf of Warren County for years. Warren County does not operate a municipal cemetery so the City has records dating back to 1937 for the first pauper burial while conducting over 400 recorded pauper burials within Fairview Cemetery to date. Warren County has designated the BG-WC Welfare Center, a non-governmental non-profit organization, to manage the pauper burial process for the county in addition to assistance with utilities and rent for needy residents. Under

the current pricing structure (dated June 9, 2004) issued by the BG-WC Welfare Center Board of Directors, the City provides a free grave and receives $100 for the opening/closing of the grave.

The area of Fairview Cemetery that has been set aside for pauper burials is known as Potters Field. The original Potters Field in Fairview #1 ran out of graves in 2009 and the City designated a second portion of Fairview Cemetery in Fairview #2 to place pauper burials. Unfortunately due to the steady increase in pauper burials, the City will run out of space in this portion of the cemetery soon unless they remove rows from the sections for general cemetery use and save them for future pauper burials. The City allows for a pauper approved burial to be placed in the Veterans section, if they qualify, or within the Baby Row section, if the deceased is a small child, or within a family owned grave in the general section of the cemetery, or in Potters field. The City has buried 55 persons over the past two fiscal years under the pauper burial rates.

Fiscal Year	Full Grave	Veterans	Baby	Total Pauper Burials
2014/2015	24	0	0	24
2015/2016	23	3	5	31
Total	**47**	**3**	**5**	**55**

The estimated discount per pauper grave is calculated below and based off of the approved Fairview Cemetery fees and charges.

Fee Description	Full Grave	Veterans	Baby
Listed Cost Per Grave	500	0	120
Listed Cost Open/Close	525	525	275
Remove Tent/Chairs Fee(none provided)	-150	-150	-150
Pauper Rate Paid	-100	-100	-100
Discount per Open/Close	775	275	145

There was some debate on how many rows of graves were available in the Potters Field section so after discussion with management, the City Surveyor was asked to analyze the area and he determined that there was space for only one additional row within the pauper section for a total of 65 graves remaining. Given the 20-30 burial per year, a decision will have to be made soon as to where future pauper burials will be placed. The revenues given up to provide the discounted pauper graves verses if they were sold to citizens under the normal approved price structure is shown below:

	Full Grave	Veterans	Baby	Total Discount
Total Discount Per Grave	775	275	145	
Total Pauper Burials FY15 & FY16	47	3	5	
Full Discount Provided	$36,425.00	$825.00	$725.00	$37,975.00

The discount that the City provides is more than the $575 total paid by the BG-WC Welfare Center to the funeral homes for pauper burials (see Attachment C). If the City were to hold two

rows of Section S as proposed by management, the estimated revenues that would be lost for the estimated 100 pauper burials would total an estimated $77,500.

Proposed Section S Rows	Plat 5	Plat 6
Number of Full Graves Per Row	46	54
Discount Per Grave	775	775
Estimated Unrealized Revenue	$35,650.00	$41,850.00

Risk
Without a calculated plan going forward, the increase in pauper burials and only 65 graves available means the pauper section will fill within the next 2-3 years. If the City gives additional land for pauper burials, the cemetery revenues will decrease, including perpetual funds, and the limited number of cemetery graves available for our citizens will reduce, leading to the potential closing of the entire cemetery for future sales within approximately 8-10 years.

Recommendation
Management should evaluate the best way to address the increasing demand for pauper burials in conjunction with the relatively small amount of graves remaining within the cemetery. The City has several options including:
   a. Renegotiate the agreed price with Warren County and the BG-WC Welfare Center to lessen the financial impact from providing this service for Warren County
      -At a minimum, work to negotiate an amount in addition to the opening and closing fee that can directly be put into the perpetual fund since the ongoing care is the most expensive cost of a burial.
   b. Stop providing a pauper burial service when the Potter Fields area fills and hand responsibility back to the County Fiscal Court since it is their responsibility as stated in the Kentucky Revised Statues.
   c. Remove additional plots from the general sale area of the cemetery to increase the amount of pauper burial graves and maintain the same discount level.

Management Response
BGPR, with City of Bowling Green Board of Commission approval, has instituted the following short-term operating plan:
- A) Current pauper area is nearing capacity. These sections will used to its maximum which may allow for some additional unaccounted for plots increasing inventory;
- B) Upon reaching Potter Field capacity, section S will be used to which point all available space in Fairview Cemetery is sold. Fairview Cemetery will be sold out within approximately 7 years.

This plan was found to be the soundest financial decision as compared to purchasing additional land for pauper field expansion. BGPR welcomes additional negotiations with Warren County Welfare Center and Warren County Government as City of Bowling Green Commission directs.

3. Cemetery basic mapping is a feature that the City included in the cemetery management software purchased in 2002; however no maps have been imported into the software. Management needs to review the basic mapping feature and consider upgrading and utilizing GIS mapping upgrade.

 <u>Observation</u>

The City pays for the basic mapping feature within Pontem Cemetery Management software; however, no maps have been added into the software since it was purchased in 2002. Currently the cemetery staff utilizes hand marked maps to determine what graves are still available for purchase. They identify sold graves with red "X" marks and graves on hold with a pencil marked "X". In order to determine how many graves are available to sell, the staff hand counts the empty boxes on the printed map. Below is a small section of one of the printed maps used:

After discussion with Pontem Software support staff, I scheduled a visit to Princeton, KY because they have implemented the GIS mapping module of the software and were willing to show me how they utilize it to improve their processes. By using the GIS mapping, Princeton staff stated that they were not only able to quickly find graves for burials, but also was able to locate a few additional graves that they could sell by conducting the GIS mapping. They contracted out the mapping and had all of their records attached to the maps so they can report and drill down to any section of the cemetery they wish. The map below was printed from their mapping feature. They have the ability to drill down into sections by owner name, occupant name and plot information. They also have various color coding which gives them the ability to color code maps as they wish to show sold, occupied, available for sale, obstructed for areas with a large tree for example or the ability to mark certain sections not for sale. It is customizable and allows an accurate view and breakdown of the cemetery.

The City has a GIS professional within the Public Works Department so this is a project that could be cost effective for the City verses how Princeton needed to contract the mapping service out. Instead of printing off pages of ledger books and maps, this could allow staff the ability to find any burial plot electronically and be able to confidently and accurately identify available lots for sale.

In order for the GIS mapping feature to fully work, cemetery staff would also need to finish inputting prior burials into the software database and review the data to ensure accuracy. There are several sections within Cemetery #1 that have not been added into the cemetery management software. Cemetery staff has been working off and on by walking various sections of the cemetery and collecting burial information from the headstones, checking it with the ledger books and entering the information into the software. There was no deadline or goal for completion so the process has been slow and sporadic since implementation in 2002. The sections of the map below that are highlighted in yellow have not been fully entered into the software as of November 2016.

Risk
Hand marking maps increases the risk of error, makes it difficult to report on various grave statuses and forces various manual methods for identifying graves for sale or for burial details needed for the opening and closing of graves.

Recommendation
Management should review the available mapping capabilities and transition data to an electronic mapping capability. As the cemetery is filling, it is very important to have accurate mapping information as to who has purchased what grave, who is buried where and what graves are available for sale.

Once the mapping function is implemented, processes should be reviewed to increase the effectiveness and efficiency of processes and reporting given the new capabilities added due to the updated mapping functions.

Management Response
BGPR Cemetery Administration will incorporate during 2017 calendar year.

4. **Management should review the contract payment process, consider updating the contract to a standard interest rate verses the current processing fees, transition to a more standardized term or payment per grave on contract, utilize technology to track contracts and create segregation of duties including reviews within the process.**

Observation
Cemetery Administration operations provide the ability for citizens to place a grave on hold or on a contract payment plan when needed. For example, one spouse passes away and due to the financial burden of the final arrangements of the deceased, the family may ask to place the grave next to them on hold for the spouse who is still alive. This provides 30 days for the family to handle final arrangements for the deceased and hold another grave until they can either make full payment or set the additional grave up on a contract payment plan. If the family hasn't made arrangements after 30 days, cemetery staff will call them to see if they still want the grave. If the family does not respond, then cemetery staff will mail them a letter notifying them that the grave has been taken off hold and is available for sale.

Contract payment plans are also available for the purchase of graves. A standard contract is signed by the purchaser as well as the City's Chief Financial Officer with a down payment (usually $50 or $100) and then monthly payments (often $25 or $50) until the grave is paid in full. A copy of the contract is filed in the Department of Finance. The term length is not standard and varies dependent on the payment amount selected and number of graves purchased which vary from a few months up to several years. The longest term contract discussed with cemetery staff is a contract for 22 graves that was set up with $100 a month payments to be paid from 2011 through 2020. The cemetery creates around 30 new contracts per year, manages approximately 152 contracts as of September, 2016 and maintains the payments on hand written ledgers kept on file for each contract. A sample of the ledger form is below:

FAIRVIEW CEMETERY INSTALLMENT SALE LEDGER

PURCHASER:		
ADDRESS:		

Phone #:	Cemetery #:	Notes:
Contract #:	Section:	
Sale Price:	Plat(s):	
Down Payment:	Range(s):	
Monthly Payment:	Grave(s):	
Contracted Amount:	Lot(s):	Site(s):

Coupon #	Date Due	Date Paid	Process Fee	Late Fee	Monthly Payment	Total Paid	Cont. Balance	Receipt #	Cash or Check #	Initials
X	X	X	X	X	X	X		X	X	X

The contracts are maintained and payments are collected and processed by one employee with no set review which increases their risk for error or fraud. Periodically a staff accountant within the Department of Finance will review the contract at the end and reconcile contract terms to the general ledger, but there is no structured review or consistent oversight. The main function at the finance level is for tracking amounts for perpetual funds and state audits. A spreadsheet is maintained in Finance to show the payments made for all graves and niches in order to calculate amounts due to the perpetual fund.

In addition to the monthly payment amounts, a $5 "processing fee" is also charged for every month within the contract. This processing fee is charged for every month even if the purchaser pays multiple months at one time. For example, if someone is set up on $25 per month payments and wants to pay $100 toward their graves, they will be charged $20 ($5 for 4 months) processing fee at the time of payment. The processing fee isn't treated as a fee each time a payment is processed, but as a monthly fee. If the processing fee was calculated as interest, it would be approximately 24% interest rate when purchasing a single grave and less than 1% for the example used above that purchased 22 graves. The fee is the same regardless of the number of graves on contract so contracting one grave will result in approximately $90 in processing fees in the example above. However, when multiple graves are placed on contract, each grave sale would only be charged approximately $25 per grave over the length of the contract in the multi-grave contract example of 22 graves.

Contract payments can be made by cash, check or credit card. During initial walkthrough and interviews with staff, it was determined that credit card numbers were being kept in a handwritten format within the contract file and processed manually each month. The staff and the Department of Finance were notified since this is in violation of credit card security regulations. With the assistance of the Department of Information Technology, this process was immediately stopped and credit card processing was upgraded to allow for monthly credit card processing without holding the customer's credit card information.

Risk
The current processing fee for contracts lacks consistency in total fees per grave that the City charges while the entire contract process is controlled by one employee without segregation of duties or consistent reviews which increases the chance of error and the risk for fraud.

Recommendation
Management should evaluate the processing fee structure and consider moving to a standard approved interest rate for contract terms. In addition, consideration should be given to standardizing the contract terms including monthly payment amounts per graves and the length of terms to choose from based on the number of graves purchased.

The manual ledger process should be reviewed and controls should be put in place over the process. The cemetery staff should not rely on a hand written ledger which could be lost or damaged as their main source for the contract payments. One cemetery employee controls the entire process from the contract terms, payment set up, credit card payments, maintaining the ledger of payments and processing the payments. Segregation of duties should be developed, or, at a minimum, consistent management reviews implemented to ensure the process is accountable.

Management Response
Proposed fee processing changes and structure will be proposed during FY18 budget process.

5. **Management should provide adequate monitoring and oversight to Cemetery Administration operations including creating standardized written operating procedures. Management should also evaluate current inefficient processes and management reporting structure to increase effectiveness and efficiency within the Cemetery.**

Observation
Cemetery functions have run without adequate review and oversight from Parks and Recreation Department management for many years. Cemetery Administration operates with employee knowledge from long term employees, but no one in the Parks Department outside of the one (1) full time and two (2) part-time cemetery staff has any working knowledge of how the cemetery administratively operates. There are no written Standard Operating Procedures (SOP) so during the audit a basic cheat sheet to show what all of the checks and highlights within their main task list (burial book) was created. A copy of a page of the burial book is shown on the following page with personal information blacked out.
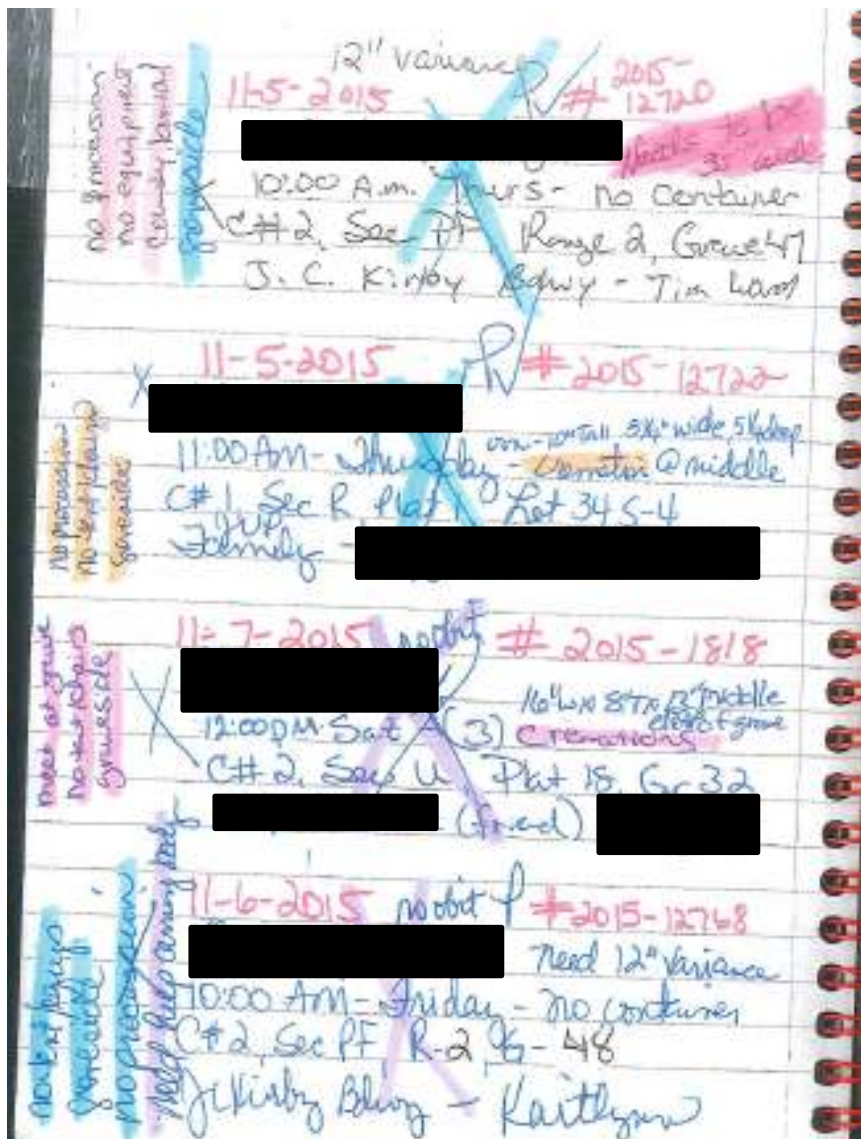
Each check mark, initial, "X" and highlight mark means something different to the staff. On the maps shown in recommendation number three of this report, an ink "X" means something different than a penciled "X", but the three (3) employees are the only ones who know what any of the markings mean and there are no written SOP's. Each employee performs their own tasks and there is no process to review each other's work to catch errors.

Waiting for funerals- During the time spent observing Cemetery Administration operations, the current process for waiting on funerals was discussed both with cemetery staff and the 11 benchmark cities that were contacted. The City's process is to place an employee in a City vehicle to wait at the front of the cemetery until the funeral procession arrives. There is no call or notification that lets the cemetery staff know when to expect the procession so they will sit from approximately the starting time of the funeral to up to a couple of hours for a funeral procession to arrive. The benchmark cities contacted had various methods for funerals including:

- Requiring the funeral home to call them when they are leaving the funeral home with an estimated time of arrival or charging a fee for long waits
- Requiring the funeral home to be responsible for knowing where the grave is located at the cemetery and leading the procession themselves
- Using directional signs to mark for the days funerals prior to that days funerals arriving so they can direct processions to the gravesite

Cemetery reporting structure- The current reporting structure for cemetery operations has a two manager reporting structure which can result in conflicts within the operations. The Administrative Manager reports to the Director of Parks and Recreation and the Cemetery Crew Supervisor reports to the Parks and Recreation Maintenance Supervisor. Both of these supervisors work with minimal supervision from parks management, but using what is effectively a two boss system creates confusion for employees when the two bosses do not agree. The Administrative Manager creates the work for the maintenance staff by issuing internment requests and work orders, but the Crew Supervisor has the oversight for the work completed. This two manager system was not found in any of the benchmark cities contacted.

Risk
Without adequate oversight, management structure, standard operating procedures and review; inefficient processes will develop and increase the risk of error and ineffective operations.

Recommendation
Management should review and improve oversight to Cemetery operations. Manual processes should be updated and standard operating procedures including appropriate reviews should be created to provide instructions and a smooth transition when retirements or employee separations occur.

Management should review the current process of waiting for funerals. We should not have employees sitting in a car for up to two (2) hours while they wait for a funeral to arrive. It is important for the procession to have a smooth arrival to the gravesite, but the current sit and wait process is an inefficient use of employee time.

Management should also evaluate the current reporting structure and determine if a one (1) manager system would work more effectively. Evansville, Indiana for example has a Cemetery Superintendent who is responsible for the entire management of the cemetery. This allows him to create the work orders, but also have the authority to oversee the work to ensure that it is performed to the correct standards and communicate the final result to citizens when requested.

Management Response
BGPR Director will provide improved monitoring, review, and oversight beginning during 2017 calendar year. Chain of command will be streamlined to one administrator.

6. **Mount Moriah agreement should be revised to reflect actual operations and staff should work to collect the remaining records that were not provided by the Mount Moriah Cemetery Association when the agreement was executed.**

Observation

The Mount Moriah Cemetery was established in 1962. It is believed to be the oldest African-American cemetery in Warren County. Due to neglect and complaints of citizens, the City of Bowling Green approved an agreement (See Attachment A) with the Mount Moriah Cemetery Association on June 19, 1984 to take over the operation and maintenance of the cemetery. The City has been responsible for operating and maintaining the cemetery including any sale of lots and maintaining of books and records. Within the memorandum, it also states that the City would map the existing cemetery to include platting the portion of the cemetery yet to be developed and identify burial sites. This was based on obtaining the necessary information, but the sexton books which contain the records of the cemetery were never provided to the City. The Mount Moriah Cemetery Association maintained ownership of the cemetery and agreed to meet quarterly with City officials regarding recommendation for improvements or changes in the cemetery and its operation and maintenance.

According to cemetery staff, the City has not sold any graves within Mount Moriah since taking over the operations in 1984. In order for someone to be buried within the cemetery, cemetery staff stated that documentation of ownership rights must be shown because the City never received the records from the Mount Moriah Cemetery Association. However, there was no consistent documentation found within cemetery records proving burial rights. Staff also will accept grave marking by a local funeral home that is the main funeral home in which burials are asked for in Mount Moriah. Cemetery staff stated that sometimes the owners have to go out and show staff where their burial plots are and there has been a few rare instances where it was determined that someone was already buried in the grave when staff attempted to dig for a new burial. When burial rights are determined, the cemetery staff writes the occupant information into the City's ledger and burial book along with general City burials. They are identified by using section #MM for Mount Moriah, but are not tracked separately or put into the City's software.

The City has very few burials each year in Mount Moriah, but given the fact that graves sales were performed prior to 1984 by the Mount Moriah Cemetery Association 32 years ago it is anticipated that burial requests may continue for many more years. According to City cemetery records, a total of nine (9) burials have been performed in Mount Moriah since 2012. As part of the audit, I reached out the local funeral home that performs burials at Mount Moriah and they stated that they had some old receipts from the sale of lots. The Kentucky Museum was also contacted as well as the Department of Library Special Collections, since they have photocopies of the Mount Moriah Cemetery records from 1940-1978. According to Kentucky Museum staff, limited records are available including old funeral home records and a record book that shows a listing of names, but does not include and burial site information.

Risk

The City is responsible for the maintenance, burials and records for this cemetery but without the full burial records, it is difficult to determine any future burial rights or to confirm specific burials within the cemetery.

Recommendation

City staff should reach out to any remaining members of the Mount Moriah Association in an effort to find and collect the remaining records. If the association no longer exists, management should determine who assumes ownership. In addition, it should be reviewed to see if there is a section or areas that would be available to sell or officially determine the cemetery closed for perpetual maintenance only unless proof of ownership is provided and can be verified. It is believed that this is the current practice, but the 1984 contract should be reviewed and updated if possible.

Since the City has agreed to be responsible for maintaining the books and records for the cemetery, effort should be made again to ensure that we have all existing records.

Management Response

BGPR Cemetery Administration will attempt during 2017 calendar year.

7. Cemetery administration should move billing for St. Joseph burials to miscellaneous billing within our Finance Department and re-evaluate the pricing in conjunction with evaluation of City cemetery pricing.

Observation

The City has an agreement with St. Joseph to provide burial services at an agreed price per service. The Cemetery Administration staff utilizes a template invoice within Microsoft Word to invoice the burial services. The invoices are not numbered, do not have due dates and are not saved within any system.

As part of the audit testing, I was able to verify thirty (30) burials within the handwritten burial book to confirm that payment was received for the burials listed in the burial book. However, six (6) of the burials had to be individually searched by the receipt number due to misspelling of the "received from" data entry point. Once the receipt is entered into the New World Financial system, several controls are in place; however, minimal controls and no reviews are performed within Cemetery Administration to ensure that all invoices are created and payment received. Documentation for all burial services performed at St. Joseph Cemetery is maintained solely on the handwritten burial book. A sample page of the St. Joseph Burial Book is on the following page with the deceased and any family names removed:
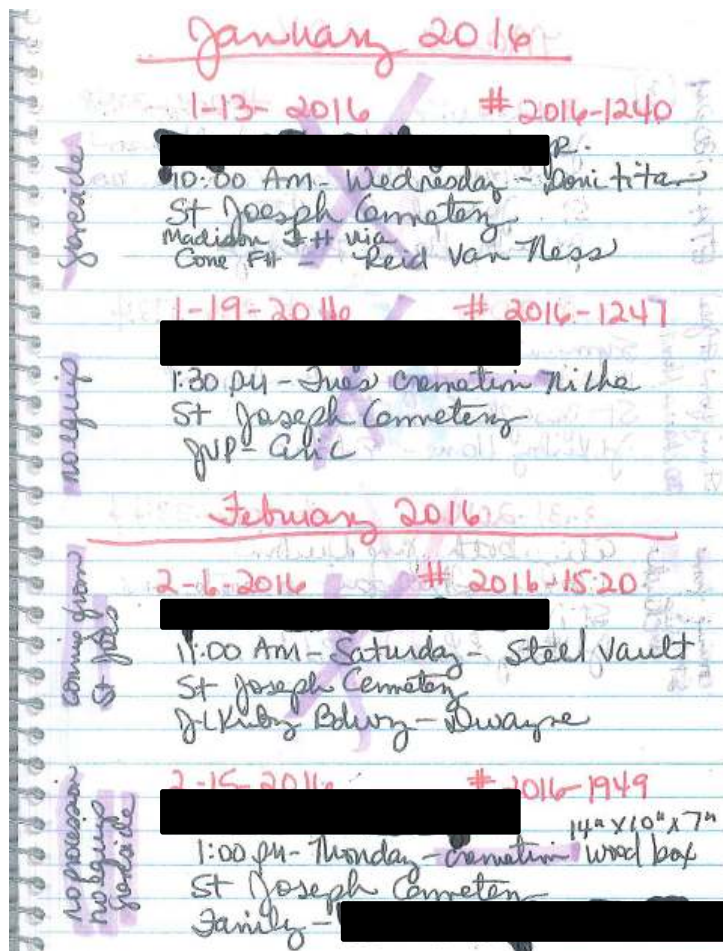
Risk

Invoices that are created outside of the established financial software, which has automatic numbering and accounts receivables, increase the risk of error, duplication, failing to create and invoice and does not provide adequate controls to prevent fraud.

Recommendation

Billing information for the services provided to St. Joseph Cemetery should be sent to the Finance Department to create invoices within the City's billing system. This will ensure that invoices are maintained and accounted for with the same standards of the City's financial policies. This will also provide review of billing and the ability to report and monitor accounts receivables.

If the City decides to update the pricing structure for City burial services, the contract with St. Joseph Cemetery would also need to be adjusted to reflect those changes.

Management Response

Standardization of process will be done during 2017 calendar year. Revised fee structure will be proposed for all operations during FY18 budget process.

8. **Management should re-evaluate the two (2) part-time positions to ensure that they are categorized appropriately for the hours worked.**

Observation

While reviewing payroll within the course of audit testing, it became evident that there was a consistent difference in time worked between the two part-time Office Assistant II positions in Cemetery Administration. These positions are categorized as permanent part time 35 hour per week employees based on the assumption of 7 hours per day, 5 days a week. They also earn 7 hours of vacation and sick per month, holiday pay and retirement benefits.

In practice, the two employees work 4 days a week with each receiving a different day off in the middle of the week. One of the employees works on average 8 hours a day and approximately 33 hours a week, but the other works on average 7 hours a day and approximately 29 hours a week.

According to the City's Administrative Policy Manual:
5-1.11   Rate of Leave Earnings – Leave for specific permanent part-time employee groups shall be earned at the following rates, based on work hours budgeted, on the proportion of eight hours earned per month for employees working 40 hours per week:

FTE:		*Earned/month*
.50 - .624	*average at least 20 hours worked/week*	*4 hours*
.625 - .749	*average at least 25 hours worked/week*	*5 hours*
.75 - .874	*average at least 30 hours worked/week*	*6 hours*
.875 - .91	*average at least 35 hours worked/week*	*7 hours*

If a position is budgeted to work at a level of hours between those listed above, leave shall be earned at the next lower rate. Employees who do not work a 12-month job shall earn the hours specified above for each month in which they work at least half of the working days.

The number of hours earned shall be based on the number of hours of work budgeted for the position, and will not fluctuate if the actual number of hours worked varies from one week to the next. A "Personnel Change" form shall be completed to document any change in leave earnings. ***If an employee continually works fewer hours than budgeted, the rate of earnings may be reduced to the appropriate level.***

In addition, the level of responsibility between the two identical positions is very disparate. One (1) of the two (2) part-time employees performs all of the monthly contract payments, inputs most of the revenues into the City's financial software, creates most PO's and payments, as well as maintains all of the monthly sales and services information. The other employee does very limited input and is generally in charge of filing and making copies of obituaries. The difference in the level of responsibility between the two (2) identical positions is fairly significant.

Risk

The City may pay more in benefits and leave than required if employees are allowed to work consistently fewer hours than the position is approved for.

Recommendation

Management should review the part-time positions and require that the employees are working their approved number of hours or reduce the hours and earnings to correspond to the division's needs. If the employees are not needed at 35 hours per week, then the positions should be downgraded according to policy.

Management should also review the identical part-time positions and evaluate if changes should be made due to the significant differences in daily responsibilities.

Management Response

BGPR will review during FY18 budget process.

Attachment A

MUNICIPAL ORDER NO. 84 - 109

MUNICIPAL ORDER AUTHORIZING THE MAYOR TO EXECUTE
AN AGREEMENT WITH THE MOUNT MARIAH CEMETERY
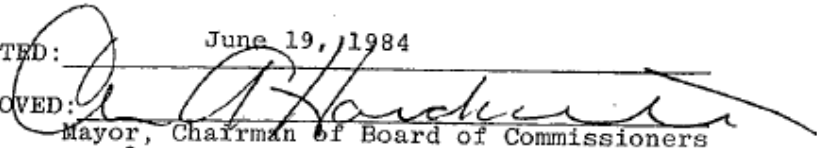ASSOCIATION FOR THE OPERATION AND MAINTENANCE
OF THE MOUNT MARIAH CEMETERY

BE IT ORDERED, BY THE CITY OF BOWLING GREEN, KENTUCKY, that
Mayor Charles A. Hardcastle is hereby authorized and directed to
execute, on behalf of the City, the attached Agreement with The
Mount Mariah Cemetery Association for the operation and maintenance
of the Mount Mariah Cemetery.

This Municipal Order shall be in full force and effect upon
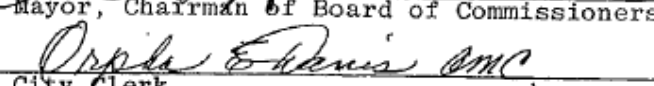signature and recordation.

ADOPTED: June 19, 1984

APPROVED: _____
Mayor, Chairman of Board of Commissioners

ATTEST: _____
City Clerk

SPONSORED BY: Charles W. Coates, City Manager, June 11, 1984, 3:00 P.M.

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AGREEMENT

THIS AGREEMENT, made and entered into on this _19th_ day of _June_, 1984, by and between the City of Bowling Green, Kentucky, hereinafter referred to as "City", party of the first part, and The Mount Mariah Cemetery Association, a Kentucky corporation, hereinafter referred to as "Association", party of the second part;

WITNESSETH: WHEREAS, the Association is organized for the purpose of owning and operating a cemetery located in the City of Bowling Green known as The Mount Mariah Cemetery; and

WHEREAS, the Association desires to transfer to the City the duties and responsibilities of operating and maintaining said cemetery.

NOW, THEREFORE, for and in consideration of the promises from the parties one to the other, and the benefits to be derived therefrom, the parties hereto agree as follows:

1. That after the effective date of this agreement, the City shall operate and maintain The Mount Mariah Cemetery, including but not limited to the sale of lots, maintenance of books and records, interments, and maintenance of the cemetery grounds. Cemetery lots shall be sold at a price established by the City commensurate with the sale price of City owned cemetery lots.

2. The Association shall operate as an advisory board to the City for the operation of The Mount Mariah Cemetery, and shall meet quarterly with City officials regarding recommendations for improvements or changes in the cemetery and its operation and maintenance.

3. This agreement shall become effective July 1, 1984, and shall be for a term of one (1) year. Said agreement shall automatically renew itself unless terminated according to its terms.

4. This agreement may be terminated by either party with six (6) months notice in writing to the chief executive officer of the other party.

5. This agreement shall be binding on the parties, their successors, representatives and assigns. This agreement may be modified only in writing signed by both parties.

IN TESTIMONY WHEREOF, witness the hands of the parties hereto on this the day and date first above written pursuant to resolutions authorizing such execution.

CITY OF BOWLING GREEN, KENTUCKY

BY: _____
MAYOR

ATTEST:

_____
CITY CLERK

THE MOUNT MARIAH CEMETERY
ASSOCIATION, a Kentucky
corporation

TRUSTEES:

_____
L. B. WOODS

_____
JIMMY BAILEY

_____
Sandy Whitney

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MEMORANDUM

TO: Russell Sims, Parks and Recreation Director

FROM: Charles W. Coates, City Manager *CWC*

RE: Mt. Moriah Cemetery Agreement

DATE: May 8, 1984

Mr. Bailey will be picking up the agreement tomorrow. I am also provid-
ing him a copy of this memorandum which discusses certain aspects of
providing maintenance service to that cemetery which are not included in
the agreement.

It is our understanding that if we assume responsibility to operate and
maintain the cemetery this will also include, based upon obtaining the
necessary information, a mapping of the existing cemetery and identi-
fication of the burial sites. This would also include platting of that
portion of the cemetery yet to be developed.

We have been requested to hire Donnie Briggs on a full time basis.   A
copy of his application is on file in my office. It is the intention of
the City to maintain the cemetery with its existing personnel also
utilizing two part time persons during the summer months when the work
activity is at its greatest. Funds previously given to the Mt. Moriah
Association would be used for this purpose. It would appear that Mr.
Briggs is competent to assume one of the two part time positions. Based
upon his working experience, if a full time vacancy should occur he will
be given consideration for that slot.

Because all cemetery personnel, both white and black, will be responsi-
ble for assisting the maintenance of Mt. Moriah Cemetery, the City
cannot agree to only assign black employees to that cemetery. It also
cannot agree to just hire black employees for the part time positions
associated with the cemetery. The existing cemetery operation shows no
discrimination either in the sale of lots or its maintenance personnel
and such standards should apply to Mt. Moriah.

I am not in agreement to provide an allocation of money to the Mt.
Moriah Cemetery for decorations on Veterans Day and Memorial Day.
Decorations provided to Fairview Cemetery are done by Veterans organiza-
tions and I'm sure they would be willing to assist the association at
their cemetery.

I will contact you when Mr. Baily has had time to review the proposed
agreement. At that time we will set up another meeting to discuss this
matter.

cc: Cemetery Superintendent

CWC57/WORK6

THE MOUNT MARIAH CEMETERY COMMITTEE PROPOSAL

TO THE

CITY OF BOWLING GREEN, KENTUCKY

The Mount Mariah Cemetery Committiee will turn over the MAINTENACE
DUTIES only to the City of Bowling Green, Kentucky.

Under the following conditions.

PROPOSAL # 1. The property of Mount Mariah Cemetery will be Governed
by the Mount Mariah Cenetery Committee for ever.

1.a. Before any work is done at the Mount Mariah Cemetery, the
Mount Mariah Committee must be informed of the work.

PROPOSAL # 2. The City of Bowling Green will hire Mr. Donnie Briggs
full-time on the city's cemetery department.

1.a. If for some reason, this young man is fired, before anyone
is hired, the replacement must be a BLACK PERSON and meet
all requirments.

PROPOSAL # 3. The City of Bowling Green will earmark in thier budget a
specified amount of money for the Mount Mariah Cemetery.

1.a. The City of Bowling Green will also earmark, the sum of
one thousand dollars for the Mount Mariah Cemetery Committee.
This money would be spent on decoration, for veteran's day
and memorial day programs only.

PROPOSAL # 4. If for some reason the City of Bowling Green is unable to
follow this agreement or at some date the City of Bowling
Green, change into an " METRO " type of goverment this
proposal would be carried over into that governing body.

PROPOSAL # 5. If for some reason the City of Bowling Green cannot follow
these proposal. Then the City of Bowling Green will return
to the old agreement with the Mount Mariah Cemetery Committee.

1.a. If the City of Bowling Green, turns this proposal down, then
the City of Bowling Green, should be willing to increase
their financial support and include the Mount Mariah Cemetery
Committee in their budget.

Attachment B

PAUPER BURIAL APPLICATION

NAME_____

ADDRESS_____

DATE OF BIRTH_____

DATE OF DEATH_____

SOCIAL SECURITY NUMBER_____

TOTAL MONTHLY INCOME FOR DECEASED:_____

DOES THE DECEASED HAVE INSURANCE:_____

DOES THE DECEASED HAVE MONEY IN THE BANK:_____

DOES THE DECEASED OWN ANY REAL ESTATE:_____

NAME OF NEXT OF KIN?_____

CAN THE FAMILY AFFORD THE FUNERAL:_____

FUNERAL HOME:_____

BURIAL OR CREMATION:_____

REGULAR OR OVERSIZE CASKET:_____

BY SIGNING BELOW, YOU ARE STATING THAT THE ABOVE
INFORMATION IS TRUE AND CORRECT

SIGNATURE_____DATE:_____

APPROVED OR DISAPPROVED:_____

BY:_____TITLE_____DATE:_____

Attachment C

BOWLING GREEN - WARREN COUNTY
WELFARE CENTER
INCORPORATED
429 E. 10th ST. P. O. BOX 1212   TELEPHONE 843-6340
BOWLING GREEN, KENTUCKY 42102-1212

DATE: June 9, 2004

TO: ALL WARREN COUNTY FUNERAL HOMES

RE: PAUPER BURIALS

The Bowling Green – Warren County Welfare Center Board of Directors met on May 18, 2004.
A motion was made and approved in regard to new rates for pauper burials paid for by the
Welfare Center.

The amount that a funeral home will receive for doing a pauper burial, effective
June 15, 2004 is as follows:

CHILDREN UNDER ONE YEAR - $200.00

ONE YEAR TO SIX YEARS--------$350.00

6 YEARS OLD & OLDER------------$575.00

CREMATIONS----------------------$250.00

ALL PRICES INCLUDE OPENING AND CLOSING OF THE GRAVE AT POTTER'S FIELD. IF
THE PAUPER BURIAL IS IN A COUNTY CEMETERY, THE $100.00 WILL BE APPLIED TO
THE OPENING AND CLOSING OF GRAVE.

THE PROVISIONS OF A PAUPER BURIAL AS OUTLINED AT THE MARCH 4, 2004
MEETING WITH LOCAL FUNERAL HOME DIRECTORS AND BOARD MEMBERS OF THE
WELFARE CENTER IS AS FOLLOWS:

A CLOTH-COVERED CARDBOARD CASKET

A ONE-HOUR VISITATION

A GRAVESIDE SERVICE

A FREE BURIAL PLOT AT POTTER'S FIELD
FAIRVIEW CEMETERY, BOWLING GREEN, KY

THE PROVISIONS OF A PAUPER BURIAL WILL BE EXPLAINED TO THE FAMILY WHEN
THEY APPLY FOR A COUNTY BURIAL AT THE WELFARE CENTER.