

1.0 Purpose of the Ministry Paper

The purpose of the Ministry Paper is to inform Parliament and the public of the report of the Administrator-General's Department for the period April 1, 2015 – March 31, 2016.

2.0 Background

The Administrator-General's Department has been an Executive Agency since April 1, 1999. The Department protects *the interests of minors, beneficiaries and creditors of the estates that the law requires the Administrator-General to administer*. This mission is being achieved through the following strategic objectives:

- Assess the entitlement and provide timely distribution of assets to beneficiaries and creditors to expedite closure of estates and improve customer satisfaction.
- Optimise the net worth of each estate within the law to maximise the value that will accrue to beneficiaries.
- Review the effectiveness of legislation and make recommendations for amendments to further enable achievement of Agency's objectives.
- Provide strategic planning and direction and ensure the cost-effectiveness of the Agency's operations through prudent financial management.
- Develop the electronic environment and integrate critical business processes to ensure improved efficiency, productivity and security of information.
- Provide a highly functional work environment where staff members are competent, properly equipped and motivated to perform at the highest level.

3.0 The AGD's Report

3.1. Amendment to the Administrator-General's Act

By virtue of the Amendment to the Administrator-General's Act, enacted in June 2015 the Administrator-General was empowered to issue Instruments of Administration (IA) which: "*shall have full legal effect in all respects and for all purposes as a grant of representation made to the Administrator-General by the Court.*"

The Administrator-General has also been authorised to issue Instruments of Distribution for assets of a primary estate provided that secondary and or tertiary beneficiaries of the succeeding estates are able to prove their relationship to the primary deceased.

These legislative changes have allowed the AG to collect estate assets and begin the administration process at an earlier date. They also allow for the processing of backlog cases in multigenerational estates with a view to closure.

3.2. Restructuring of the Department

The AGD continued to execute the organisational restructuring as approved by the Ministry of Finance & the Public Service. The recruitment of an Estate Administration Executive, Public Education Manager, additional Paralegals and Property Administrators has positioned the Agency to increase its output, generate additional revenue and more quickly address challenges in estate administration.

Some changes were made to the organisational structure with posts being reassigned to new Sections and additional responsibilities given to other posts. These changes play a key role in the ability of the Agency to meet its objectives to increase levels of productivity, generate greater revenue and manage estates effectively. They will ultimately result in higher levels of output in all areas of the Agency's operation.

The revision of job descriptions, changes in areas of responsibility and a greater emphasis on individual productivity were part of the restructuring exercise. The performance management system was reviewed and redesigned to improve target creation and measurement.

3.3. Procurement of Trust and Estate Management System (TEMS)

During the year, much progress was made in the procurement of a software developer for the Trust and Estate Management System (TEMS).

The Department partnered with eGov Jamaica Limited (eGov) for the management of the procurement process using the Limited Tender methodology. In April 2015, tender documents were issued to six pre-qualified bidders. Responses to the Request for Proposal (RFP) were received from three of the vendors.

The evaluation of the vendors' proposals was conducted and a preferred bidder was identified. On February 8, 2016, the AGD submitted its results to the National Contract Commission (NCC) to which an endorsement was received. On February 15, 2016 the AGD received Cabinet approval for the procurement and implementation of TEMS.

The Administrator-General's Department entered into negotiations with the selected supplier in March, 2016. The development of the TEMS is expected to take approximately fifteen months being done on a modular basis.

3.4. Opening of an Office in Montego Bay

In keeping with its vision to continuously improve service delivery to its clients, the AGD opened its Montego Bay office in July 2015, bringing its services closer to beneficiaries, clients and residents of Western Jamaica. The office is staffed with two Property Officers and one Case Officer.

The office has enhanced the Agency's ability to make property visits and process documents relevant to estate administration within a shorter timeframe in that region. This has resulted in significant improvement in the facilitation of the estate administration process and the management of the property portfolio for the region.

Estates are now benefitting from savings in costs associated with property visits as officers in Montego Bay conduct property inspections and undertake formal possession of estate properties without the need for officers to travel from Kingston.

3.5. Establishment of an Enquiry Section

Over the years, the Department has been faced with numerous challenges in obtaining the required documents to support applications for Instruments of Administration or Letters of Administration in a timely manner. Case Officers with responsibility for the actual estate administration were also responsible for undertaking the investigation process which involves constant communication and follow-up with beneficiaries, financial and government institutions.

In an effort to tackle these issues, an Enquiry Section with officers dedicated solely to the investigation process was established in the last quarter of the year. This Section is responsible for completing investigations and referring matters for the issuing of Instruments of Administration, before the actual administration process begins.

The Agency will continue to improve partnerships with government organisations and financial institutions to facilitate the submission of important documents and critical information necessary for the issuing of Instruments of Administration or Letters of Administration.

3.6. Public Education

During the year public education continued to be a main focus of the AGD. This was facilitated through presentations within various private and public sector organisations, interviews on radio and television, as well as advertising in the print and electronic media.

Presentations were made at a number of workshops and seminars organised by public and private sector entities, church groups and other organisations. The Department also participated in the 6th Biennial Jamaica Diaspora Conference 2015 at the Montego Bay Convention Centre. There were over 2,000 local and international participants at the conference, many of whom visited the AGD's information service booth and enquired about the role and services of the Department.

The Agency's website was consistently reviewed and updated and is now designed to facilitate "Notices of Intent to Distribute Assets in Multi-generational Estates."

During the third quarter of 2015/2016, the Administrator General and the Estate Administration Executive attended the Diaspora Surgeries in England which was organised by the Jamaican High Commissioner. The Department made presentations and provided information to persons in London, Birmingham and Manchester and was also a part of a live broadcast.

3.7. Achievement of Corporate Targets

The Agency's Key Performance Indicators are aligned to the six strategic objectives that were set for the financial year. They incorporate both financial and non-financial measures and form the basis on which the Agency's performance is assessed.

During the 2015/2016 financial year, the Agency began applying weights to its targets based on the significance of each KPI to the overall performance of the organisation and also based on the level of activity that goes into the final output.

The performance evaluation was based on each KPI satisfying the performance criteria while taking the relevant weight into consideration.

The report shows that the AGD achieved all twenty-two (22) Key Performance Indicators that were set for the financial year.

3.8. Customer Service

During the reporting period, the AGD received the Prime Minister's Trophy for the Best Customer Service Entity (single location) in the Public Sector Customer Service Competition, 2014/2015. This marked the third time that it has received this award in the seven instances that the competition has been held.

3.9. Return on Investments (Estate Funds)

The Agency continued to invest estate funds in accordance with the Administrator-General's Act, while ensuring that the assets are being maximised and that adequate liquidity is maintained to meet financial obligations. The average return on investment (ROI) for the year was 6.63%, compared to a target of $6\pm 2\%$.

At the end of the financial year, the estate investment portfolio stood at \$2,256 billion, an increase of \$145.0M over the previous year. Based on the portfolio mix and the inflows being experienced, there was adequate liquidity to meet the estates' cash-flow needs in the short to medium term.

3.10. Closure of Estates

The closure of estate files is an important target as it is the final output of the administration process that signifies that all the assets have been distributed to the proven beneficiaries. During the year, the Agency closed 505 estate files against a target of 500.

3.11. Staff Capacity Building

As the operations of the Administrator-General's Department is very specialised and requires technical skills in most areas; continuous training of staff is necessary to ensure that they are equipped with the right skill sets for the effective execution of their duties.

At the end of the financial year, 86.5% of the members of staff had benefited from at least 3 hours of training in areas that will impact their field of work, compared with a target of 70%. Training was conducted in the areas of Leadership, Laws of Succession, Accounting, Information Technology and Change Management. Members of staff also benefitted from workshops organised by the Ministry of Justice.

4.0. Audited Financial Statements

The Administrator-General's Department earns income from a 6% Commission on estates, as well as Legal, Investment, Property Management, Administrative and Business Asset Management Fees. The Department is also funded from the Consolidated Fund.

For the period under review, the total operating expenses of the Department amounted to \$306.61M, of which \$175.85M was funded from revenue earned. A total of \$241.01M was received from the Consolidated Fund. The Department ended the year with a net surplus of \$60.09M, after 50% of net surplus going to the Consolidated Fund.



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