

1. Purpose

The Honourable House is asked to note that Cabinet has approved the tabling of the Annual Report with Audited Financial Statements for the Administrator-General's Department (AGD) for the period April 1, 2016 to March 31, 2017.

2. 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*. The laws governing the Department require the Administrator-General to administer estates where:

1. Persons have died intestate (without a Will) leaving beneficiaries under the age of 18 years;
2. Persons have died intestate leaving only adult beneficiaries, the Administrator General (AG) issues consent by issuing a Certificate of the Administrator-General;
3. Persons have died intestate and his/her estate consists solely of personalty valued less than One Hundred Thousand Dollars (\$100,000.00);
4. Persons have died testate (leaving a Will) and:
 - a. the AG is appointed as Executor under a valid Will
 - b. a Testator did not appoint an Executor
 - c. the Executor died before the Testator
 - d. the Executor has renounced his/her executorship
5. A Court Order has been issued mandating that the Administrator-General extracts a Grant of Administration;
6. A Court Order has been issued appointing the Administrator-General as the Trustee or Committee for a named beneficiary;
7. The deceased persons were not survived by any eligible relatives and the residue of the estate will fall to the Crown as "*Bona Vacantia*";
8. Testators name the AG as executor in respect to Charitable Trust. There are Charitable Trust dating back to the early 1900s.

3. Highlights of the Report

3.1. The Agency's Human Capital

At the end of the period, the staff complement was 99 of 107 approved posts. The Department had 24 new persons joining the staff, as well as 4 persons retiring, to include

the Deputy Administrator-General who served 25 years. There were also 13 persons who resigned for varying reasons. The Department however, moved swiftly to fill those vacancies.

3.2. Development of the Trust and Estate Management System (TEMS)

Over the period, much progress was made in the development of the Trust and Estate Management System (TEMS). The contract for the development of the software was signed with the developer, Argusoft America Inc. in August 2016, to be delivered in four modules. This system is being designed to automate the Registry and Records Management, Estate Administration, Property Management, Trust Accounting and Investment processes. The development of the system is to be completed over 15 months and is intended to significantly improve the overall efficiency of the organisation.

3.3. Provision of Social Services

By recognising the need for monitoring and social intervention in some of the cases under administration, especially those with minors as beneficiaries, a request was made to the Corporate Management Division of the Ministry of Finance and the Public Service for the post of a trained Social Worker. This was eventually approved, the post was filled, and a Social Work Unit created.

The main objective of the Social Work Unit is to provide social services support to vulnerable beneficiaries in estates. This support includes services such as the provision of counselling, mediation, facilitating access to educational opportunities, medical and housing facilities. Since the inception of the Unit, it has also managed to assist in the location of beneficiaries whom the AGD has sought for years and has been positively impacting the services of the Department.

4. Highpoints of the Achievements of Corporate Targets

The Agency's Key Performance Indicators are aligned to five 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.

The report shows that the AGD achieved seventeen (17) of the eighteen (18) Key Performance Indicators that were set for the financial year. The Ministry of Justice had agreed to the deferral of the assessment of one indicator to the following fiscal year. The deferred indicator is related to data cleansing.

4.1. Closure of Estates

The closure of estate files is an important target as it is the final output of the administration's process that signifies that all the assets have been distributed to the proven beneficiaries. During the year, the Agency closed 678 estate files against a target of 600.

4.2. 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 6.78%, compared to a target of 6±2%.

The value of the portfolio at the start of the year was \$2.26B. There was an inflow of \$0.63B in the portfolio, while payments for the period amounted to \$0.55B. These payments were made directly to beneficiaries, as well as to cover estate related expenses.

At the end of the financial year, the estate investment portfolio stood at \$2.34 billion, with 52.68% invested in long term instruments, 15.88% in medium term and 31.48% in short term instruments. 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.

4.3. Management of the Agency's Budget

The total expenditure of the Agency for the year was \$361.94M from a budget of \$432.64M, with savings of 16.94%. Revenue collected for the year amounted to \$164.18M, 33.3% above a projected \$123.169M. This positive variance was attributed to an improvement in the inflow in legal fees due to the reduction in time taken to issue Instruments of Administration.

4.4. 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, 92.5% 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%.

5. 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 expenses of the Department amounted to \$420.43M, of which \$244.68M was funded from revenue earned. A total of \$243.54M was received from the Consolidated Fund. The Department ended the year with a net surplus of \$39.22M.

The Honourable House is asked to note the foregoing.

A handwritten signature in cursive script that reads "Delroy Chuck".

Delroy Chuck, QC, MP
Minister of Justice
May 21, 2018