



**PUBLIC GUARDIAN AND TRUSTEE**

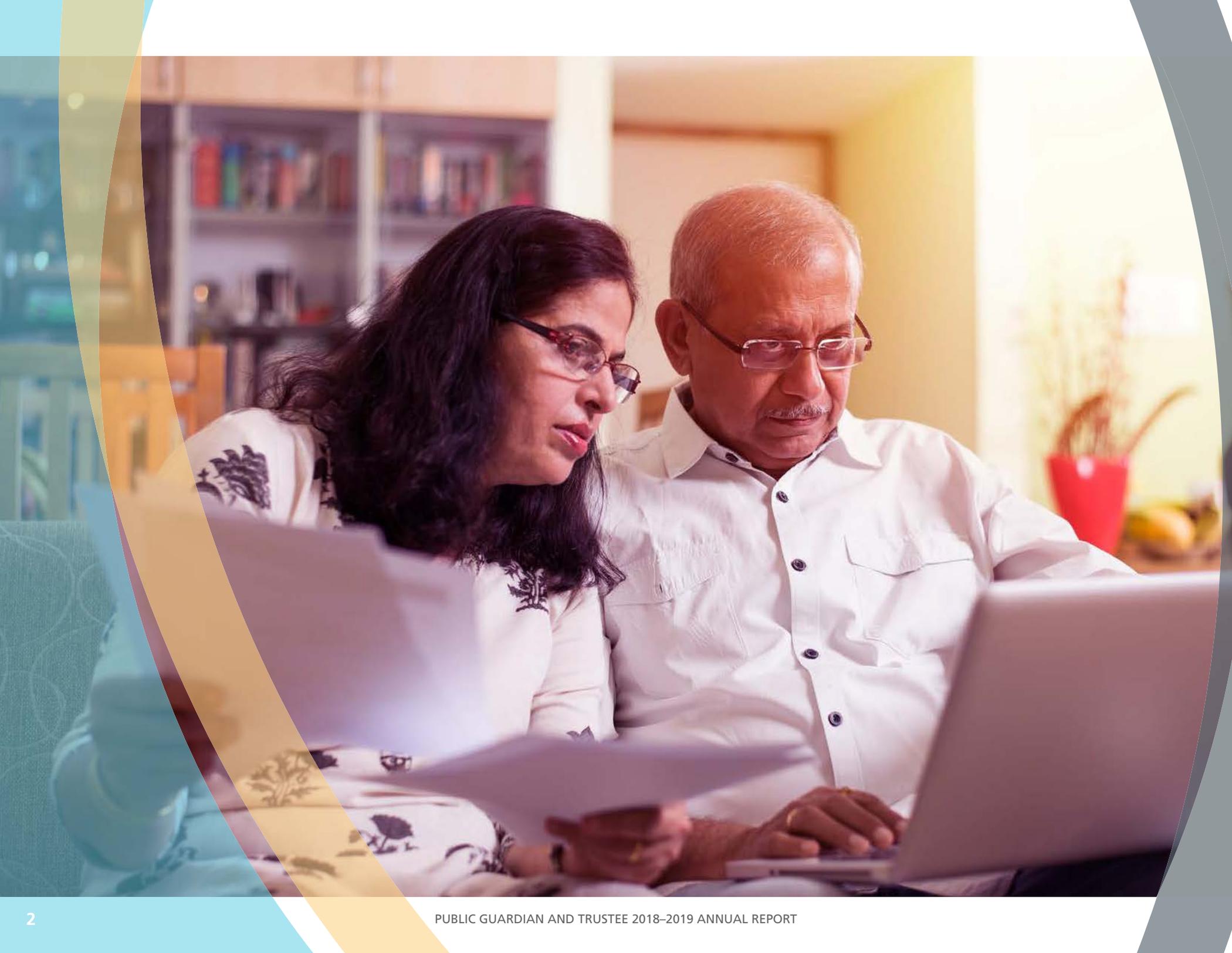
**2018–2019  
Annual Report**

Rights, choices and security  
for all British Columbians



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## LETTER OF TRANSMITTAL

September 25, 2019

The Honourable David Eby, QC  
Attorney General  
Ministry of Attorney General  
PO Box 9044, STN PROV GOVT  
Victoria, British Columbia V8W 9E2

### **Dear Attorney General:**

I have the honour of delivering to you the Annual Report of the Public Guardian and Trustee in accordance with the provisions of section 25 of the *Public Guardian and Trustee Act*.

This report covers the period April 1, 2018 to March 31, 2019.

Yours truly,

Catherine M. Romanko  
Public Guardian and Trustee

## MESSAGE FROM THE PUBLIC GUARDIAN AND TRUSTEE

Since our last annual report, the Public Guardian and Trustee (PGT) has focused on preparing for new law which will expand our statutory role for two client groups. At the same time we continued to make progress on our strategic plan to enhance overall client service.

In the area of new law, PGT staff were excited to work on the development of a new program to support youth transitioning out of provincial care. PGT staff saw a need in our young clients leaving care at age nineteen years, to receive continued support to manage their financial assets which had been held in trust for them by the PGT while they were children. Staff understood that many youth leaving care often have no access to support from adults to assist them with independent living and little experience to guide decisions about the management of their financial affairs. In consultation with current and former youth in care and with youth serving agencies, PGT staff heard that an extended period of PGT trusteeship could be beneficial to youth providing them with time to acquire necessary skills and confidence to manage their own assets as well as reducing some of the pressures youth leaving care face in the transition to adulthood. We are pleased that government passed relevant legislative amendments which came into force in December 2018, amendments which were advocated for by PGT staff. Through this promising new program, the PGT now provides continued trusteeship of financial assets to youth leaving care who request our assistance. This support can continue until the youth is 27 years of age.

During the year, the PGT also collaborated extensively with Ministry of Health staff about the potential that government would bring into force certain legislative amendments creating a legal scheme for consent for admission to long term care. The proposed new legal scheme, supported by the PGT, will provide due process protections to an adult entering facility care by helping to ensure that legal consent is obtained for admission and continued residence in facility, even when the adult is incapable of personally providing consent. When brought into force, the amendments will create a new role for the PGT in providing substitute consent or selecting a substitute decision maker for an adult who is incapable of providing consent to admission and who has no authorized legal representative to do so on their behalf. As it turned out, the time taken to prepare for the potential implementation of this new legal scheme was well spent. Government has since taken action to bring the new law into force on November 4, 2019 at which time the PGT will be ready to take on our new duties.

The PGT also continued to make progress on our strategic plan to enhance client service through the modernization of our information technology systems. Having developed and implemented a new reliable and secure trust accounting system over the past several years, we have now focused our efforts on evolving our office from a traditional paper based environment to one supported by digital document management. This year we completed our preparatory work for the shift to digital record keeping and expect to acquire and begin phased implementation of a document management system in the year ahead.

Another feature of our strategic plan is the continuous education and skills development of our staff who are required as part of their duties to manage complex legal, financial, personal and health care decisions on behalf of PGT clients. To support that work, we continue to develop our ongoing training program to capture a broad range of subjects and skills including ethical decision making, protection of privacy, avoidance of conflicts of interest, trauma informed practice, as well as a variety of legal and financial matters. A focus of our education program this year was learning about the impact of the residential school experience on Indigenous peoples and Indigenous cultural safety and awareness. The continuing education and training of staff is essential to effective client service. We are proud that this year, 94% of PGT staff each completed a minimum of 10 hours of client service related training.

This annual report of the PGT's performance is one way in which we account to our clients and the public with respect to carrying out our responsibilities under provincial law. I am pleased to report that this year the PGT again met or exceeded all 18 performance measures on which we publicly report, a result confirmed by independent audit.

The services provided by the PGT to our clients are enriched by the generous contributions of time and expertise made by the members of the PGT Investment and Audit Advisory Committees. I thank them for their valuable advice and support. I also thank all PGT staff for their professionalism and commitment to providing their best in serving PGT clients. I am honoured to work with this dedicated group of individuals to meet the needs of British Columbians who rely on the PGT for assistance.

Catherine M. Romanko  
Public Guardian and Trustee



## 2018–2019 PERFORMANCE REPORT



## ACCOUNTABILITY STATEMENT

Under my direction, the 2018–2019 Performance Report has been properly prepared and fairly stated, in all material respects, based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *Public Guardian and Trustee Act* and on the Performance Reporting Principles For the British Columbia Public Sector (collectively, the “Criteria”). I am accountable for the results achieved and how actual performance has been reported; complying with the requirements of the Criteria; designing, implementing and maintaining internal control relevant to the preparation and presentation of the Performance Report in accordance with the Criteria and free from material misstatement, whether due to fraud or error; the selection of the performance measures included in the Performance Report; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the PGT’s Performance Report. The information presented in the Performance Report reflects the actual performance of the Public Guardian and Trustee for the 12 months ended March 31, 2019.

The information presented represents a comprehensive picture of our actual performance in relation to our service delivery plan. The report contains estimates and significant interpretive information that represents the best judgment of management. The measures presented are consistent with the organization’s mandate, goals and objectives and focus on aspects critical to understanding our performance. Any significant limitations in the reliability of specific data are identified in the report.

The report is intended for a general audience. Specific users may require more detailed information than is contained in this report.

Catherine M. Romanko  
Public Guardian and Trustee

September 25, 2019





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## **Independent Auditor's Report on the 2018–2019 Performance Report of the Public Guardian and Trustee of British Columbia**

**To:**

**The Public Guardian and Trustee of British Columbia,  
The Attorney General of the Province of British Columbia,  
and the Members of the Legislative Assembly of British Columbia**

We were engaged by the Public Guardian and Trustee of British Columbia (PGT) to audit and report on the 2018–2019 Performance Report (Performance Report) of the PGT for the year ended March 31, 2019 and the PGT's Accountability Statement (statement) thereon as set out on page 7, in the form of an independent reasonable assurance conclusion about whether the PGT's statement that the Performance Report is properly prepared and fairly stated, in all material respects, based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *Public Guardian and Trustee Act (PGT Act)* and on the Performance Reporting Principles For the British Columbia Public Sector (BC Performance Reporting Principles) (collectively referred to herein as the Criteria) is fairly stated.

Our conclusion excludes the following elements of the Performance Report: The Performance Report necessarily contains a number of representations by the PGT concerning the appropriateness of the PGT's goals, objectives, targets, explanations of the adequacy of planned and actual performance, and expectations for the future. These are provided to provide context to assist the reader in evaluating the plans and performance of the PGT. Such representations are the opinions of the PGT and, given their necessarily subjective nature and also the future orientation of some of the representations, such representations inherently cannot be subject to independent audit verification. Further, as described in the Performance Report section entitled Linking Resources to Performance, the tables and related information on pages 60 to 69 of the Performance Report are derived using an allocation model developed to reflect approximate usage of key services and other segmentation methodologies that are beyond the scope of this audit; accordingly, with respect to the tables and related information on pages 60 to 69 of the Performance Report, our audit engagement was limited to providing reasonable assurance that the historical financial information in the Performance Report is consistent with the audited financial statements contained in the PGT's 2018–2019 Annual Report. Accordingly, our opinion set out below excludes



the effect of adjustments, if any, which we may have determined to be necessary had we been able to independently verify the representations described in this paragraph, and had we performed a more extensive examination of the tables and related information on pages 60 to 69 of the Performance Report.

### **Public Guardian and Trustee of British Columbia Responsibilities**

The PGT is responsible for properly preparing and fairly presenting the Performance Report free from material misstatement in accordance with the Criteria, and for the information contained therein. The PGT is also responsible for preparing the accompanying statement thereon as set out on page 7.

These responsibilities include: complying with the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *PGT Act*; designing, implementing and maintaining internal control relevant to the preparation and presentation of the Performance Report in accordance with the Criteria and free from material misstatement, whether due to fraud or error; the selection of the performance measures included in the Performance Report; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the PGT's Performance Report.

### **Our Responsibilities**

Our responsibility is to audit the Performance Report prepared by the PGT and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our audit in accordance with Canadian Standard on Assurance Engagements 3000, *attestation engagements other than audits or reviews of historical financial information*, set out in the CPA Canada Handbook – Assurance. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Performance Report is properly prepared and fairly stated, in all material respects, based on the Criteria. Reasonable assurance is less than absolute assurance.

The firm applies Canadian Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the CPA Code Of Professional Conduct issued by the Chartered Professional Accountants of British Columbia, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



The procedures selected depend on our judgment, including the assessment of the risks that the Performance Report is not properly prepared and fairly presented, in all material respects, in accordance with the Criteria, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the Performance Report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the PGT's internal control over the preparation and presentation of the Performance Report.

Our engagement also included: assessing the suitability of the Criteria used by the PGT in preparing the Performance Report; evaluating the appropriateness of the methods and procedures used by the PGT in the preparation of the Performance Report; evaluating the reasonableness of calculations, judgements, and estimates made by the PGT in preparing the Performance Report; examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report; evaluating the proper preparation and fair presentation of the Performance Report in accordance with the Criteria; and performing such other procedures as we considered necessary in the circumstances.

### **Opinion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the PGT's statement, that the Performance Report of the PGT for the year ended March 31, 2019 is properly prepared and fairly presented in all material respects based on the Criteria, is fairly stated.

### **Characteristics and Limitations of the Performance Report**

The Performance Report reports on the performance of the PGT as a BC public sector entity, in accordance with the requirements of the Criteria, and is intended to provide readers of the Performance Report with credible information, fairly interpreted, with respect to: the public purpose served by the PGT; its goals and results, focusing on the few critical aspects of its performance; information relating the PGT's results to its risks, capacity, resources, and strategies; comparative information; and the basis for key reporting judgements. The Performance Report may not be suitable for other purposes.



The attached Appendix to this report summarizes and explains selected key aspects of how the Performance Report has been properly prepared and fairly stated, in all material respects, based on the Criteria.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
September 25, 2019



## **Appendix to the Independent Auditors' Report on the 2018–2019 Performance Report of the Public Guardian and Trustee of British Columbia**

This Appendix summarizes and explains selected key aspects of how the Performance Report has been properly prepared and fairly stated, in all material respects, based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *PGT Act* and on the BC Performance Reporting Principles (collectively referred to herein as the Criteria).

### **BC Performance Reporting Principle 1 – Explain the Public Purpose Served**

The Performance Report identifies and explains the PGT's mandate, enabling legislation, vision, values, and organizational structure. Core program areas, services, clients, and stakeholders are described, as is the role of service partners. The PGT's role and relation to the courts and the Crown are explained.

### **BC Performance Reporting Principle 2 – Link Goals and Results**

The Performance Report identifies and explains the PGT's mandate and vision, its service delivery plan including the goals it has identified in support of its mandate and vision, the related more detailed objectives and performance measures, and its actual results, providing linkages and a logical flow between them. The relevance and relation to long-term outcomes are identified and explained for key performance measures and results. Variances between planned and actual results are identified and explained. The impact of results on the PGT's future direction is also identified and explained where relevant.

### **BC Performance Reporting Principle 3 – Focus on the Few, Critical Aspects of Performance**

The PGT's April 1, 2018 – March 31, 2021 Service Delivery Plan identifies the PGT's five strategic goals related to the three aspects of its mandate, one to three specific objectives related to each goal, and related specific performance measures. The Performance Report repeats this information from the Service Delivery Plan, and provides in a clear, concise format the PGT's actual results for each performance measure, and the meaning and importance of each performance measure and result. The Performance Report also provides related contextual information regarding factors influencing the selection of goals, objectives, and performance measures, and factors influencing the actual results.



## **Appendix to the Independent Auditors' Report on the 2018–2019 Performance Report of the Public Guardian and Trustee of British Columbia**

### **BC Performance Reporting Principle 4 – Relate Results to Risk and Capacity**

The Performance Report summarizes management's approach to risk, including risk identification and assessment, consideration of potential impacts of risks on achievement of PGT goals, and consideration of risk tolerance, resource constraints, and mitigation strategies. It summarizes management's view of the significant risks faced by the PGT, related potential causes including capacity issues, and current and possible risk mitigation strategies for dealing with the risks. Current capacity is described in relation to current results and to the PGT's ability to deliver on its organizational goals and objectives.

### **BC Performance Reporting Principle 5 – Link Resources, Strategies and Results**

The Performance Report identifies the major sources, nature, and amounts of the PGT's funding, provides budgeted and actual revenues and expenses by program area and for the PGT as a whole, and explains key variances between budgeted and actual revenues and expenses for the PGT as a whole. Year over year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies, for each program area and for the PGT as a whole, the total staff, number of clients, and financial indicators including revenue, expenses, and assets under administration. The Performance Report identifies trends and issues impacting results, revenues, and expenses, and also describes how resources, strategies, and results are linked, including linking areas of expenditure with its goals that are most directly affected by the expenditures. The Performance Report links financial and performance information in a way that should help readers understand the efficiency and economy of the PGT's operations.

### **BC Performance Reporting Principle 6 – Provide Comparative Information**

For each identified specific performance measure linked to the PGT's goals, when applicable the Performance Report provides clear comparisons between planned results, actual results, and previous years' results, as well as targeted results for the following year. When relevant and material, explanations are provided of changes in the nature, source data, and/or calculation of the performance measures. Year over year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies trends and issues impacting results, revenues, and expenses. The Performance Report also explains the reasons for the lack of provision in the Performance Report of comparative information to similar organizations.



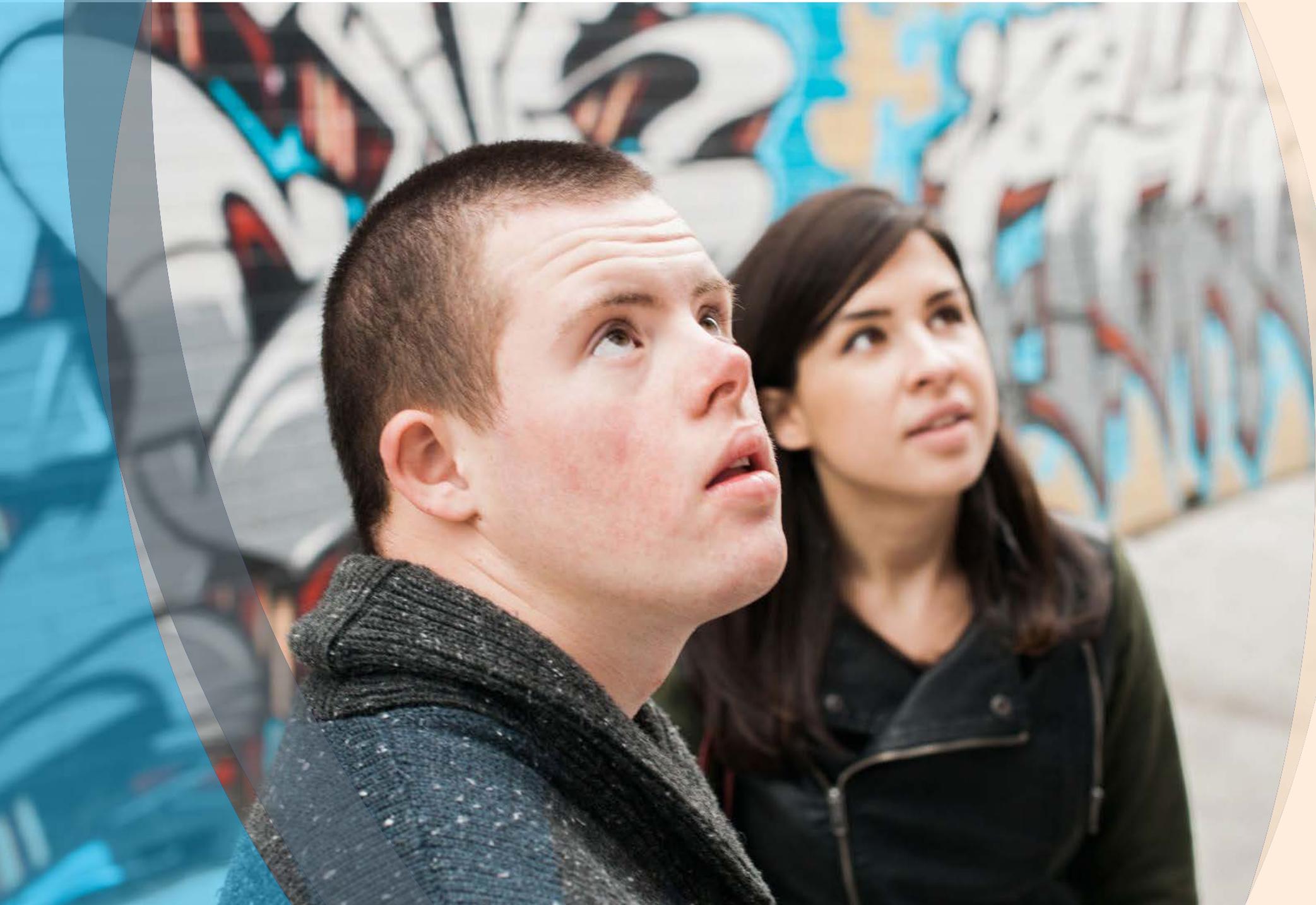
## **Appendix to the Independent Auditors' Report on the 2018–2019 Performance Report of the Public Guardian and Trustee of British Columbia**

### **The *PGT Act*, and BC Performance Reporting Principle 7 – Present Credible Information, Fairly Interpreted**

The Performance Report has been made by the PGT to the Attorney General, Province of British Columbia, by September 30, 2019 as required by the statutory reporting requirements and deadline specified in subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act*. Our related independent auditors' report is provided as required by section 26 (1) (b) of the *PGT Act*. Subject to the limitations described in our independent auditors' report, our opinion relates to the credibility of the information in the Performance Report by providing an opinion, based on our audit, as to its proper preparation, in all material respects, based on the Criteria.

### **BC Performance Reporting Principle 8 – Disclose the Basis for Key Reporting Judgements**

The Performance Report explains the basis for selecting the aspects of performance on which it focuses and the rationale for the performance measures reported upon. The Performance Report also provides concise explanations of how most performance measures are derived including, where relevant, data sources and the period covered. The process for selecting goals, objectives, and targeted results for performance measures, and how it is evolving, is described. Any significant changes in the way performance is measured or presented are described. The PGT provides an accountability statement describing her accountability for the Performance Report, and representing (among other things) that the Performance Report has been properly prepared and fairly stated, in all material respects, based on the requirements of the Criteria, and that it reflects the actual performance of the PGT for the 12 months ended March 31, 2019.



## MANDATE

The mandate of the Public Guardian and Trustee (PGT) is to:

Protect the legal and financial interests of children under the age of 19 years;

Protect the legal, financial, personal and health care interests of adults who require assistance in decision making; and

Administer the estates of deceased and missing persons.

During 2018–2019, the PGT provided services through 264 full time equivalent employee positions to approximately 26,000 clients and administered over \$1 billion of trust assets. When managing the financial interests of an individual, estate or trust, the PGT is bound by both common law and statutory fiduciary principles associated with acting as a trustee.

The PGT exercises quasi judicial authority in specific situations as a result of obligations created by statutory law. In addition, the PGT provides the court with reliable independent submissions when the property or financial interests of minors, vulnerable adults or estates are at risk.

The PGT self funds a large percentage (69% in 2018–2019) of its operating expenses through fees charged on client income and assets with supplementary voted funding that supports public services such as regulatory and oversight activities. Any operating surplus at year end is retained in the Special Account and is not accessible to the PGT for spending in subsequent years without Treasury Board approval.

The PGT has a fiduciary duty to advance the private interests of its clients even if they are contrary to the interests of government. The PGT is independent of government in its case related decision making responsibilities.

## VALUES

### INNOVATION

We challenge ourselves to seek new and improved ways to deliver service and assist clients.

### INTEGRITY

We act in accordance with the highest ethical, legal and personal standards.

### RESPECT

We treat clients, their family and friends in a courteous, respectful manner.

### STAFF SUPPORT

We acknowledge staff as our greatest resource and recognize and appreciate their expertise, professionalism and commitment.

**VISION**  
Rights, choices  
and security for all  
British Columbians

### OPENNESS

We demonstrate responsibility and transparency to clients, government and the public through annual statutory public reporting on all aspects of our performance.

### TEAMWORK

We work with one another and with service partners in striving for seamless service delivery.

### CLIENT CENTRED SERVICE

We constantly strive to provide quality service to our clients.

## CHILD AND YOUTH SERVICES



**15,431**  
clients<sup>1</sup>

**\$194**  
million  
assets<sup>2</sup>

**43**  
staff<sup>3</sup>

## SERVICES TO ADULTS



**8,024**  
clients<sup>1</sup>

**\$623**  
million  
assets<sup>2</sup>

**104**  
staff<sup>3</sup>

## ESTATE AND PERSONAL TRUST SERVICES



**3,013**  
clients<sup>1</sup>

**\$262**  
million  
assets<sup>2</sup>

**44**  
staff<sup>3</sup>

<sup>1</sup> Clients: the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

<sup>2</sup> Total value of assets under administration (at March 31, 2019).

<sup>3</sup> Full time equivalent employee positions.

## STATUTES

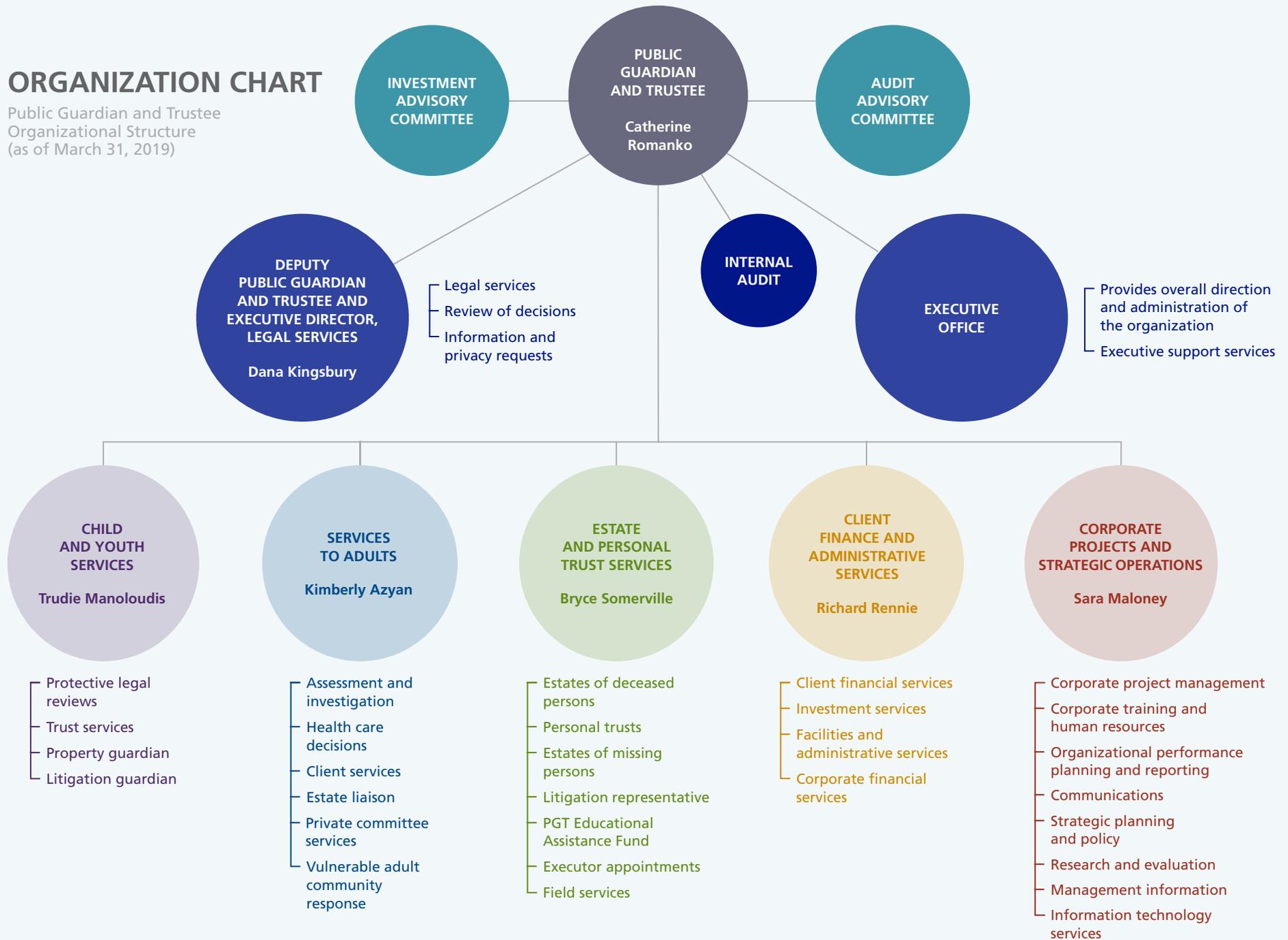
Numerous acts set out the powers and duties of the PGT. Key provincial statutes include:

- *Adoption Act*
- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Cremation, Interment and Funeral Services Act*
- *Employment Standards Act*
- *Estate Administration Act\**
- *Estates of Missing Persons Act*
- *Family Law Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Hospital Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Vehicle) Act*
- *Limitation Act*
- *Marriage Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trust and Settlement Variation Act*
- *Trustee Act*
- *Wills Act\**
- *Wills, Estates and Succession Act\**
- *Wills Variation Act\**

\*The *Wills, Estates and Succession Act* came into force on March 31, 2014. The *Estate Administration Act*, *Wills Act* and *Wills Variation Act* have been repealed by the *Wills, Estates and Succession Act*, however, portions of those acts continue to apply if a deceased person died before March 31, 2014.

# ORGANIZATION CHART

Public Guardian and Trustee  
Organizational Structure  
(as of March 31, 2019)



## ACCOUNTABILITY FRAMEWORK

The PGT is a corporation sole established under the *Public Guardian and Trustee Act*.

Catherine M. Romanko was reappointed as the Public Guardian and Trustee for a second six year term effective October 10, 2017. The PGT can serve a maximum of two terms.

The PGT is accountable to the provincial government, the legislature, the public and directly to PGT clients. Overall accountability is exercised through the government's review and approval of the PGT Service Delivery Plan (SDP) and through publicly reported annual independent performance and financial audits.

Accountability to PGT clients is exercised through internal review processes, the Ombudsperson and judicial oversight of PGT statutory and fiduciary obligations.

Two advisory committees assist the PGT. The **Investment Advisory Committee** is a statutory committee established under the *Public Guardian and Trustee Act* to advise on strategic investment policy. The **Audit Advisory Committee** is established by the PGT to advise on key aspects of internal and external audit, accountability and internal controls. Members of each advisory committee are external to the PGT and are broadly experienced professionals in the legal, financial and social services arena from the public and private sector.

### Performance Planning and Reporting

Part 3 of the *Public Guardian and Trustee Act* establishes an accountability framework that provides for performance planning and reporting.

Section 22 of the *Public Guardian and Trustee Act* requires the PGT to prepare an annual three year service delivery plan and deliver it to the Attorney General no later than December 31 for the upcoming three fiscal years. If approved by the Attorney General, the PGT must submit the SDP to the provincial Treasury Board for approval. The *Public Guardian and Trustee Act* specifies SDP content.

Section 25 of the *Public Guardian and Trustee Act* requires the PGT to report to the Attorney General in each fiscal year on operations of the organization for the preceding fiscal year. This annual report must be submitted to the Attorney General by September 30 and thereafter tabled in the Legislative Assembly.

The *Public Guardian and Trustee Act* stipulates that the annual report must include an audited performance report relating to the performance targets and other objectives established in the SDP, together with audited financial statements for both PGT operations and its stewardship of client estates and trusts under administration.

### Corporation Sole

The PGT is a corporation sole. This is a corporate legal structure in which all authority and responsibility is vested in a single office holder who operates without a board of directors. This structure is used primarily in situations requiring clear accountability and is a common model for public guardians and trustees in Canada.

## CLIENTS, STAKEHOLDERS AND SERVICE PARTNERS

### Primary Client Groups

Almost all PGT clients are vulnerable due to legal status or other incapacity arising from diseases of aging, mental illness, brain injury, special needs or minority. Clients include:

- Children in continuing care of the province
- Children with trust funds
- Children whose guardians wish to settle a claim for damages on behalf of the child
- Adults with cognitive impairments due to brain injury, developmental disability, diseases of aging and mental illness who require assistance with decision making
- Adults requiring temporary substitute decision making for health care decisions
- Vulnerable adults who may be experiencing abuse, neglect or self neglect
- Intestate successors and beneficiaries of estates of deceased or missing persons
- Beneficiaries of personal trusts

### Key External Relationships

Clients are at the core of all PGT activity. The PGT liaises with and works in partnership with a broad range of individuals and organizations in helping clients meet their needs. These include:

- Family and friends of clients
- Community groups and nonprofit organizations
- Indigenous organizations
- Provincial government ministries
- Public service partners with statutory authority
- British Columbia Courts
- Law Society of British Columbia and other organizations of legal professionals
- Government of Canada departments and agencies
- BC Investment Management Corporation
- Insurance Corporation of BC
- BC Unclaimed Property Society

### Key Private Sector Relationships

The PGT works with a wide range of private sector service providers in meeting its responsibilities for protecting the personal, legal and financial interests of clients. These include:

- Private service providers such as care facilities, funeral homes and personal attendants
- Personal service providers
- Financial institutions
- Medical and social services professionals
- Lawyers
- Accountants
- Insurance providers
- Real property managers
- Heir tracers
- Private investment managers

## PROGRAM AREAS

The PGT serves clients primarily through three broad program areas:

**Child and Youth Services;**  
**Services to Adults;** and  
**Estate and Personal Trust Services.**

These are supported by:

**Client Finance and  
Administrative Services;**  
**Legal Services;**  
**Corporate Projects and  
Strategic Operations;** and  
**Internal Audit.**

The **Executive Office** provides overall direction and administration of the organization, including coordination and consultation with external service providers and government bodies.

## CHILD AND YOUTH SERVICES

The PGT protects the legal and financial interests of minors under the authority of a range of provincial statutes. The PGT Child and Youth Services division (CYS) works on behalf of and directly with children and youth as well as with their parents or guardians.

### Property Guardian

As property guardian, the PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs), who are guardians of person for children in continuing care of the Province. The PGT is also property guardian for children who have no legal guardian or are undergoing adoption.

As property guardian, the PGT advances legal claims for damages arising from injuries suffered by the children as the result of the negligence or wrongful act of others. The PGT also pursues financial benefits to which PGT property guardian clients may be entitled such as Canada Pension Plan Children's Benefits and establishes Registered Disability Savings Plans (RDSPs) for qualifying clients.

### Trustee

The PGT receives funds to hold in trust on behalf of children, including personal injury settlement proceeds, life insurance proceeds where a minor is a beneficiary and no trustee is named to administer the funds, shares of estates where no trustee is named and a portion of wages earned by child entertainers. Funds are typically held in trust until the child turns 19 (the age of majority in BC) unless

disbursed earlier for the benefit of the child. PGT property guardian clients may enter into an agreement with the PGT to hold and manage their funds after reaching the age of majority up until the age of 27. The PGT is required to act as trustee for certain types of funds payable to minors while the *Family Law Act* provides that other funds may be paid directly to parents or guardians.

### Protective Legal Reviews

The PGT protects the legal interests of minors by reviewing proposed settlements of claims for unliquidated damages brought on their behalf. The settlements relate to a variety of claims such as the wrongful death of a parent or guardian, medical malpractice or motor vehicle accidents. These reviews help ensure that the settlements are reasonable and in the best interests of the minors.

To protect the property interests of minors in trusts and estates, the PGT also reviews notices of applications to administer an estate of a deceased person or to vary a trust or a will when a minor is a beneficiary or may be entitled to a share in the estate or trust. Where the PGT has reason to believe that a minor's interest in a trust is at risk, the PGT may investigate on behalf of the minor.

Child and Youth Services is also responsible for reviewing grant applications (including grants of probate, any grant of administration or the resealing of a grant) for incapable adults within BC. Any person applying for a representation grant is required to send written notice to the PGT, if any person to whom notice must be given is, or may be, mentally incapable.

Child and Youth Services	
Total staff*	43 positions
Total clients**	15,431
Property guardian	4,765
Trustee	8,804
Protective legal reviews	2,852
Litigation guardian (non property guardian)	70
Total value of assets under administration (at March 31, 2019)	\$194 million
Investments and securities	\$192 million
Real property	\$1 million
Other	\$1 million
<b>Business Indicators</b>	
RDSPs (at March 31, 2019)	\$8 million
<b>Other Indicators</b>	
Property guardian clients with assets (at March 31, 2019)	1,364
*Staff refers to full time equivalent employee positions.	
**Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.	

## PROGRAM AREAS

### SERVICES TO ADULTS

The majority of adult clients rely on PGT financial and legal management or on the PGT's review of decisions made by others. The PGT also makes or provides for temporary substitute health care decisions to be made on behalf of some adults and exercises health and personal care decision making as committee of person for a small number of other adults.

The PGT Services to Adults division (STA) serves adult clients when other appropriate substitute decision makers are not available. Most adult clients have diseases of aging which have impaired their mental capability, while others have mental illnesses, developmental disabilities or brain injuries. In serving adult clients, the PGT strives to balance client independence and the right to self determination with the need for protection.

#### Assessment and Investigation

Assessment and Investigation is the first contact point for most adult clients with the PGT. Staff respond to requests from concerned friends, relatives or professionals to assess whether PGT services are required to assist a vulnerable adult. The service includes investigating reports of financial abuse of adults who may be mentally incapable. The PGT may consult with community and family members on possible abuse, neglect and self neglect issues during an investigation. As a last resort, the PGT might seek authority to be the decision maker where other options for assistance for the adult are not available.

#### Health Care Decisions

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain informed consent before treating a patient. A substitute decision maker is generally needed if patients are mentally incapable of making their own treatment decisions. In the absence of an existing substitute decision maker such as a committee of person or a representative under a representation agreement, the *Health Care (Consent) and Care Facility (Admission) Act* allows the closest qualified relative or close friend to make decisions regarding treatment. When these qualified individuals are not available or where there is dispute regarding who to select among equally ranked individuals, the PGT is called upon to appoint another substitute decision maker or to make substitute treatment decisions on behalf of the incapable adult.

#### Client Services

The PGT provides a wide range of direct financial management and personal decision making services for vulnerable adults who require assistance managing their affairs. The PGT acts in a number of different roles including committee of estate, committee of person, power of attorney, representative, litigation guardian and pension trustee.

When the PGT is appointed as committee of estate, staff work with the adult to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills and managing investments and property. When appointed as committee of person, the PGT makes health and personal care decisions on behalf of the adult.

## Estate Liaison

Estate Liaison coordinates completion of STA direct involvement in a client's affairs and releases property under PGT administration when PGT services are no longer required. Client affairs are transferred to Estate Liaison when the PGT no longer has authority, or is transferring authority for an adult client because the client has become capable of managing their own affairs, someone else has been appointed as committee or the client has died.

## Private Committee Services

A family member or friend of an adult may be appointed by the court to manage the legal and financial and/or personal interests of an incapable adult. When private committees are appointed, the PGT reviews the accounts of the private committees with respect to their management of the adult's affairs and investigates concerns that they may not be complying with their duties.

## Vulnerable Adult Community Response

The *Adult Guardianship Act* provides authority for the PGT to designate by regulation external agencies that then have a duty to receive and respond to allegations of abuse, neglect and self neglect of vulnerable adults. The current Designated Agencies are the regional Health Authorities, Community Living BC (CLBC) and Providence Health Care Society.

The *Adult Guardianship Act* further provides authority for the PGT to organize community networks to provide support and assistance to abused and/or neglected adults. The PGT accomplishes this through coordinating a range of province wide standing committees and special events involving service partners and other stakeholders with an interest in issues concerning the reduction of abuse and neglect of vulnerable adults.

Services to Adults	
Total staff*	104 positions
Total clients**	8,024
Assessment and investigation	2,214
Client services	3,628
Health care decisions	520
Estate liaison	950
Private committee services	2,120
Adult legal monitoring	453
Total value of assets under administration (at March 31, 2019)	\$623 million
Investments and securities	\$438 million
Real property	\$172 million
Other	\$13 million
<b>Business Indicators</b>	
RDSPs (at March 31, 2019)	\$22 million
Liabilities (at March 31, 2019)	\$34 million
<b>Other Indicators</b>	
Clients with PGT Opened Tax Free Savings Account(s) (at March 31, 2019)	388

\*Staff refers to full time equivalent employee positions.

\*\*Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

## PROGRAM AREAS

### ESTATE AND PERSONAL TRUST SERVICES

The PGT provides estate administration and personal trust services through the Estate and Personal Trust Services division (EPTS). EPTS is also responsible for investigating, securing and maintaining physical assets for all PGT clients.

#### Administration of Estates of Deceased Persons

The PGT administers estates of deceased persons when the executor, intestate successor, beneficiary or other eligible person is not able or willing to do so. The PGT also administers estates of deceased persons when the intestate successor or beneficiary is a client under authority in another PGT division such as Services to Adults or Child and Youth Services. In addition, the PGT may agree to be appointed as the executor under a will.

If the estate is of minimal value and no next of kin can be found who are willing and able to make funeral arrangements, EPTS makes a referral to the Ministry of Social Development and Poverty Reduction (MSDPR) to make funeral arrangements.

#### Personal Trusts

The PGT acts as trustee of trusts created by will, court order, or *inter vivos* settlement. If options to appoint a family member or trust company are not appropriate, the PGT may agree to act as trustee. These trusts, for which the PGT acts as trustee, are usually settled to provide benefits to a child or vulnerable adult or alternatively, to provide benefits going forward in perpetuity for a charitable purpose.

#### Executor Appointments

The PGT may agree to be appointed executor of a will in appropriate circumstances. Once appointed executor, the PGT follows up with each will maker periodically to help ensure that the will is current.

#### Litigation Representative

The PGT may agree to act as litigation representative for purposes of a specific legal action brought against an estate if there is no executor, administrator or other person to act. The PGT role is generally limited to accepting service of legal documents on behalf of estates without assets. If the estate has assets, the PGT will apply for letters of administration and will manage the litigation in the role of administrator.

#### PGT Educational Assistance Fund

The PGT Educational Assistance Fund was established by the Province of British Columbia in 1989. As trustee, the PGT distributes funds from the trust in the form of bursaries to qualifying adults who were formerly children in the continuing care of the province.

Under the terms of the trust, applicants are assessed on their grades, financial needs, career goals, personal commitment and other sources of funding available to them to cover education costs. Annual funds available for distribution are dependent on rates of investment return. The trust had a capital value of \$900,888, at December 31, 2018. In 2018–2019, there were 16 applicants and bursaries totaling \$17,720 awarded to 11 individuals.

### Estates of Missing Persons

The PGT acts as curator for missing persons as defined in the *Estates of Missing Persons Act*. As curator, the PGT manages the adult's property until the person is located or until the funds are paid into court for safekeeping.

### Field Services

Field Services investigates, secures and maintains client physical assets, including real and personal property.



Estate and Personal Trust Services	
Total staff*	44 positions
Total clients**	3,013
Deceased estates	2,464
Trusts	224
Litigation representative	15
PGT educational assistance fund	16 applicants
Estates of missing persons	1
Executor appointments	332
Total value of assets under administration (at March 31, 2019)	\$262 million
Investments and securities	\$193 million
Real property	\$57 million
Other	\$12 million
<b>Business Indicators</b>	
Liabilities (at March 31, 2019)	\$5 million
<b>Other Indicators</b>	
Estate administration referrals***	1,265
Probate applications filed with Supreme Court***	261
*Staff refers to full time equivalent employee positions.	
**Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.	
***Figure reflects the count of particular activity across the year.	

## PROGRAM AREAS

### CLIENT FINANCE AND ADMINISTRATIVE SERVICES

The PGT Client Finance and Administrative Services division (CFAS) provides a wide range of both corporate and client services.

The PGT is independent of government in client matters and accordingly requires its own corporate services which include budget planning, corporate accounting and facilities and administrative services.

Client services include collecting receivables, making disbursements and providing investment expertise.

#### Client Financial Services

Client Financial Services is responsible for the day to day management of client financial services for estates and trusts administered, including client receipts and disbursements. This department also provides tax services, oversees the processing of PGT fees, maintains the security and integrity of client assets and liabilities, helps to ensure an effective system of internal controls and develops annual audited financial statements.

#### Investment Services

Investment Services is responsible for establishing and managing effective investment plans on behalf of clients and for overseeing the overall investment management process. Investing client assets is a core PGT responsibility and by statute, the PGT is required to act as a prudent investor. The PGT

assesses client needs to determine investment goals and objectives to develop personalized investment plans for adult clients and personal trusts with more than \$50,000 in net financial assets and children and youth clients with more than \$25,000 in net financial assets. This department includes an Assets and Liabilities Team responsible for the record keeping of investments, real property and other assets and liabilities.

#### Corporate Financial Services

Corporate Financial Services is responsible for operating and capital budgeting, forecasting, reporting, payment processing and corporate contract management for the Operating Account. The department develops financial models, projects operating expenses and recoveries from fees, sets out multiyear budget plans, prepares Treasury Board submissions, produces financial management reports and develops annual audited financial statements.

#### Facilities and Administrative Services

Facilities and Administrative Services is responsible for the delivery of corporate administrative services including records management and archiving, mail services, site and staff security, goods and services purchasing and facilities maintenance.

## PROGRAM AREAS

### LEGAL SERVICES

PGT Legal Services are delivered by a complement of 13.6 staff lawyer positions distributed among program and corporate services and supplemented by outside counsel as required. The Deputy Public Guardian and Trustee is the Executive Director of Legal Services.

Within their assigned areas of practice, the staff lawyers provide advice to the PGT when acting on behalf of clients in a representative capacity. In this role, they may appear at mediations or in civil proceedings on behalf of PGT clients or may instruct outside counsel acting on behalf of clients in a variety of civil matters.

Staff lawyers also carry out certain statutory obligations of the PGT, such as reviewing applications for appointment of private committees, settlements of claims for unliquidated damages on behalf of minors and reviewing proposed transactions affecting the property interests of minors and legal notices where the interests of minors or incapable adults may be affected. In some circumstances, staff lawyers prepare written comments to the court regarding issues concerning the interests of minors or incapable adults in civil proceedings.

At March 31, 2019, PGT staff lawyers were providing legal advice and services to clients that involved acting on more than 2,900 legal issues.

Other in house counsel carry out a variety of duties to support PGT statutory obligations, including providing legal oversight of PGT involvement in advancing client interests in class proceedings, managing the overall provision of legal services to PGT clients by outside counsel and coordinating compliance with access to information and privacy legislation. In 2018–2019, the PGT responded to 30 requests for information and three court orders for production of records.

In 2018–2019, the PGT investigated clients' eligibility for settlement payments in 10 class actions and filed claims where appropriate. The PGT continues to monitor 16 class actions and/or potential class actions on behalf of clients.

The Deputy Public Guardian and Trustee and staff lawyers contribute regularly as speakers and writers for a variety of organizations with respect to the law that impacts PGT clients. They also participate in government law reform initiatives relevant to the PGT mandate.

## PROGRAM AREAS

### CORPORATE PROJECTS AND STRATEGIC OPERATIONS

The Corporate Projects and Strategic Operations division (CPSO) provides a range of organization wide services in support of PGT operations. These include statutory performance planning and reporting, corporate project management, internal and external communications, strategic and business planning, policy development, management information, research and evaluation, human resource coordination and corporate training.

The PGT maintains its own information technology services independently from the provincial government to help ensure that client information is kept confidential. Information Technology Services implements enhancements to technology infrastructure to support client service.

### INTERNAL AUDIT

The PGT has established an Internal Audit function to support PGT management, employees and clients and other stakeholders, by providing an independent, objective assurance and consulting service designed to improve PGT operations.

Internal Audit employs a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes for the PGT. Internal Audit has direct and unimpaired access to the Public Guardian and Trustee and members of the Audit Advisory Committee to report findings and issues and to request advice and opinions.

#### PGT Summary Indicators

Total staff*	264 positions
Total clients**	26,119
Total value of assets under administration (at March 31, 2019)	\$1,079 million
Investments and securities	\$824 million
Real property	\$229 million
Other	\$26 million
<b>Business Indicators</b>	
Client bills paid***	\$210 million
Client receipts processed***	\$248 million
<b>Other Indicators</b>	
Clients with trust accounts (at March 31, 2019)	15,088
Real properties sold***	99
Income tax filings***	5,444

\*Staff refers to full time equivalent employee positions.

\*\*Client counts reflect the number of individual clients served both by individual divisions and by major business lines throughout the year. Because of this, the PGT total is typically less than the sum of the divisional totals as clients may require service in more than one division.

\*\*\*Figure reflects the count of particular activity across the year.

## \$1,079 million

Total value of assets under administration (at March 31, 2019)

## INVESTMENTS

The PGT has three pooled investment funds for clients: the Premium Money Market Fund, the Balanced Income Fund and the Balanced Growth Fund.

The **Premium Money Market Fund** is intended to preserve capital for risk averse clients and provide liquidity and an improved rate of return for short term investments. (Fund size \$460 million at March 31, 2019).

The **Balanced Income Fund** is aimed at generating income with some growth. It is used most frequently by adult clients with medium term investment time horizons. (Fund size \$42 million at March 31, 2019).

The **Balanced Growth Fund** is aimed at long term capital growth. It is used most frequently by clients with longer investment time horizons. (Fund size \$141 million at March 31, 2019).

The PGT invests client funds in the pooled funds and other investment alternatives and may also rely on the services of brokerages. Although the PGT generally invests client funds in its three pooled funds, the choice of alternatives is determined by client goals and objectives set out in investment plans which are monitored on a regular basis according to portfolio risk.

The following table provides comparisons of rates of return for PGT pooled funds and standard alternatives as of March 31, 2019.

PGT Pooled Funds	Comparisons
<b>Premium Money Market Fund</b>	
1.82% (1 year)	91 day Government of Canada Treasury Bill: 1.65%
	3 year Guaranteed Investment Certificate: 2.50%
	Chequing account interest: 0.05%
<b>Balanced Income Fund</b>	
5.76% (5 years annualized)	Standard industry portfolio benchmark: 5.56% (5 years annualized)
<b>Balanced Growth Fund</b>	
7.36% (5 years annualized)	Standard industry portfolio benchmark: 7.01% (5 years annualized)

Sources: Premium Money Market Fund – BC Investment Management Corporation; GOC Treasury Bill – Bank of Canada; GIC – CIBC Wood Gundy; Chequing account – CIBC Wood Gundy; Balanced Income Fund and Balanced Growth Fund – RBC Investor and Treasury Services.

## PARTNERSHIPS AND OUTREACH

The PGT recognizes the importance of providing public information and education about the PGT and related services to facilitate cooperation with service partners and stakeholders, to inform the public about related issues and to mitigate the growth in demand for PGT services.

To this end, the PGT mandate includes providing public education and applying PGT special expertise to advocate for PGT clients at a systemic level as well as that of individual clients. Under the strategic goal of contributing to a fair and just society, the PGT Service Delivery Plan has a specific performance objective related to this work: the PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.

In 2018–2019, the PGT contributed its expertise through extensive partnership and outreach activities:

### Formal Committees

- Member, Children’s Forum, an information sharing forum for senior officials with an interest in child protection and related services;
- Member, National Association of Public Trustees and Guardians, an association of Canadian provincial/territorial Public Trustees, Public Guardians and equivalents, committed to excellence in public trusteeship and guardianship and focused on advocacy, policy reform, awareness and shared best practices in the interests of clients;
- Member, Estate Planning Council of Vancouver, an association of estate planning professionals who meet to share ideas and work experiences related to various areas of estate planning;
- Member, National Guardianship Association, a USA organization dedicated to advancing the standard of excellence in guardianship;
- Member, Youth Futures Education Fund Advisory Committee, which guides the Youth Futures Education Fund that provides financial assistance to youth who were in government care and are pursuing a post secondary education on a tuition waiver;
- Host, BC Adult Abuse/Neglect Prevention Collaborative, a province wide community/government group working towards continuous improvement in the BC response to adult abuse, neglect and self neglect;
- Facilitator, Adult Guardianship Provincial Advisory Committee, including representatives of Health Authorities and CLBC to collaborate on adult protection efforts on a provincial level;
- Member, Council to Reduce Elder Abuse, established to facilitate implementing the provincial government plan “Together to Reduce Elder Abuse – BC’s Strategy” and cochair of the Financial Abuse Action Group subcommittee;
- Member, steering committee for the provincial Services to Adults with Developmental Disabilities initiative;

## PARTNERSHIPS AND OUTREACH

- Member, Justice Strategic Advisors Team, a cross sector advisory committee with representatives from the ministries of Attorney General and Public Safety and Solicitor General who meet to discuss sector wide IT strategies;
- Member, Registered Disability Savings Plan Action Group, an advisory committee to government which works to realize government's Accessibility 2024 commitment to build and maintain BC's position as the province with the highest per capita uptake of RDSPs in Canada; and
- Partner, BC Child and Youth in Care Week, a partnership between the PGT, Ministry of Children and Family Development, Federation of BC Youth in Care Networks, Adoptive Families Association, First Call BC Child and Youth Advocacy Coalition, Federation of Community Social Services of BC and the Indigenous Perspectives Society to highlight the accomplishments and talents of children and youth in government care.

### Consultations

- Participated in law reform initiatives including:
  - Consultation with the Ministry of Health on potential implementation of Part 3 of the *Health Care (Consent) and Care Facility (Admission) Act* legislation;
  - Consultation with the Ministry of Attorney General on amendments to the *Wills Estates and Succession Act*;
  - Consultation on amendments to the *Public Guardian and Trustee Act* to allow the PGT to be appointed as a Director of a client owned company when necessary to protect a client's financial interests;
  - Consultation with the ministries of Attorney General and Children and Family Development on legislative amendments to give the PGT the authority to continue to act as trustee for former property guardian clients when those clients reach the age of 19, by agreement between the PGT and the former property guardian client; and
  - Consultation with the Financial Consumer Agency of Canada on the development of a voluntary code of conduct for banks.
- Participated in the Canadian Centre for Elder Law project "Health Care Consent, Aging and Dementia: Mapping Law and Practice in British Columbia";
- Participated in the Canadian Centre for Elder Law project "Inclusive Investing: Respecting the Rights of Vulnerable Investors through Supported Decision Making";
- Engaged with Insurance Corporation of British Columbia (ICBC) representatives to discuss matters of mutual interest concerning the settlement of motor vehicle related claims for children and youth;

## PARTNERSHIPS AND OUTREACH

- Consultation on “Collective Impact – Transition in Resources, Relationships and Understanding Support Together (TRRUST)” an initiative sponsored by the McCreary Centre Society focused on achieving systemic improvements in outcomes for youth transitioning out of government care in Vancouver;
  - Liaised with Ministry of Health regarding *ex gratia* payments by government to former residents of Woodlands School;
  - Continued to liaise with Community Living British Columbia on a range of projects relating to incapable adults including information sharing and related data matching; and
  - Partnered with Ministry of Children and Family Development and Delegated Aboriginal Agencies on the development of resources and training materials designed to increase the uptake of RDSPs for children in continuing care.
- Educational Outreach**
- Contributed to professional development programs and conferences such as the Continuing Legal Education Society of BC’s Western Canada Class Actions Conference 2018;
  - Facilitated and provided further feedback to the Ministry of Health for updates to *A Guide to the Certificate of Incapability Process under the Adult Guardianship Act*;
  - Provided periodic training on the role of the PGT to new social workers through the Indigenous Perspectives Society;
  - Facilitated a broad range of financial literacy workshops for youth in care, including MCFD/YWCA Strive and Skills Max for Youth programs, workshops at the Burnaby Youth Custody Services Centre and the Cedar Walk and Aries programs facilitated by the Urban Native Youth Association and the Vancouver School Board;
  - Made submissions to the *Power Pages* magazine issued by the Federation of BC Youth in Care Networks;
  - Participated in National Indigenous Peoples Day activities in Vancouver and the provincial Gathering Our Voices Indigenous Youth Leadership Training Conference;
  - Presented to BC entertainment industry stakeholders regarding the PGT’s role and responsibilities for minors in British Columbia; and
  - Presented to DAA directors and to the MCFD, DAA and federal Partnership Forum on legislative amendments that give the PGT authority to continue to act as trustee for former property guardian clients after they reach the age of majority to their age 27 years, if they request continued PGT assistance.

## SOCIETAL TRENDS AND OTHER FACTORS

A number of social trends, risk factors and internal issues affect the work of the PGT, and are outlined on the following pages.



## A. IMPROVING CLIENT SERVICE THROUGH THE USE OF MODERN TECHNOLOGY

### THE ISSUE

- Clients expect to be able to access services through electronic means. For example, clients expect the ability to carry out tasks such as:
  - learn about services through a modern website and a variety of social media platforms;
  - review the status of accounts online;
  - submit information interactively through a secure portal; and
  - complete payment transactions electronically.

### THE IMPACT ON PGT CLIENTS

- The PGT has historically operated in a traditional paper based environment supported by legacy systems which are not sustainable.
- Significant gaps exist between client service expectations and the organization's ability to meet them.
- A high volume of paper creates inefficiencies and the risk of error.
- Replacing outdated technology systems will enable the PGT to improve operations and achieve better outcomes for clients.

### THE PGT RESPONSE

- Modernized systems and related processes will support more responsive and effective client service.
- The PGT will continue to work closely with the BC Chief Information Officer and the Ministry of Attorney General to follow leading practice in implementing new technology and making corresponding process improvements.
- The PGT will continue to enhance the trust accounting system and associated processes implemented in 2017 to improve operations and client service.
- A document management system is critical to the effective management of significant volumes of client records. The PGT has carried out preparatory internal process reviews to gather and validate requirements to facilitate the selection of the most appropriate document management solution and plans to obtain confirmation of funding to acquire and implement such a system.
- The trust accounting system, a document management system and related process improvements will provide the foundation for the development of interactive digital client self service and electronic fee payment transactions.
- The PGT will work to modernize its website and explore new ways to interact with clients, stakeholders and the public.

## B. RESPONDING TO THE INCREASING COMPLEXITY OF CLIENT ISSUES

### THE ISSUE

- The population of British Columbia is aging, giving rise to an increase in demand for services required by older adults.
- Leading practice in adult guardianship law seeks to find the least intrusive option to provide support to adults needing assistance with decision making. For this reason, the PGT has considered alternative options to full guardianship to serve adult clients.
- The role of a fiduciary is becoming more complex and carries an increasing degree of risk due to the changing nature and location of client assets, an increasing level of client debt and escalating value of estates being administered. The scope of duties required to meet client need is also expanding.
- Client expectations and advances in technology have increased demand for instant and easily accessible information.
- PGT clients are ethnically and culturally diverse. Client services must be provided in a culturally sensitive manner.
- The changing provincial framework for child protection requires the PGT to collaborate with an increasing number of partners, including Delegated Aboriginal Agencies and Indigenous communities to provide property guardianship services to children and youth.

### THE IMPACT ON PGT CLIENTS

- Demand for PGT services such as estate administration and the investigation of allegations of abuse, neglect and self neglect of vulnerable adults continues to rise.
- Managing client financial affairs is increasingly complex as assets are located around the world, often in jurisdictions that do not recognize the PGT's legal authority. Assets are in multiple formats including digital. Clients increasingly require debt management and resolution of tax issues.
- The scope of duties required as property guardian for children in continuing care continues to expand and includes:
  - Responding to an increasing number of critical incident reports about injury or loss suffered by children in continuing care;
  - Providing financial literacy training and other transitional supports to youth leaving care; and
  - Providing trustee services to youth leaving care until they reach 27 years of age where a request for continued PGT support is made. This new service, requires the PGT to build relationships with young people at an earlier stage of their lives.
- Feedback from consultations with clients and stakeholders has highlighted the need for improved communication by the PGT about what PGT services entail, how PGT involvement will affect clients and their families and expected service timelines.
- For PGT services to be effective, the PGT must develop policies and procedures which reflect cultural sensitivity and competency.

### THE PGT RESPONSE

- The PGT will continue to make operations more efficient and will continue to assess trends and service demand changes in order to manage its resources in a manner that is flexible and responsive to changing client needs.
- The PGT will develop clear communications materials about service for clients and stakeholders and increase staff training in communications.
- The PGT will provide ongoing skills and knowledge training to support management of complex caseloads including a focus on diversity and Indigenous cultural awareness training.
- The PGT will continue to build its relationships with Indigenous communities, to enhance its capacity to provide effective and relevant services to Indigenous clients.

## C. ENHANCING EMPLOYEE ENGAGEMENT

### THE ISSUE

- Traditional PGT recruitment sources are no longer providing a field of candidates with the skills and knowledge required to fill many PGT positions. PGT compensation rates have not kept pace with private sector equivalents in several key areas.
- Staff retention is challenged by the fact that other employers are able to offer more flexible employment options and better compensation.
- In addition to the traditional skills and abilities required to fulfill PGT roles, staff are increasingly required to be more technically literate to deliver existing services.
- The PGT expects significant staff retirement over the next several years increasing the risk of loss of corporate knowledge and experience.
- Staff training is increasingly important as client affairs become more complex to manage.

### THE IMPACT ON PGT CLIENTS

- Complex legal, financial and sensitive personal and health care client issues require management by competent, skilled and engaged PGT employees.

### THE PGT RESPONSE

- The PGT will continue to use bridging positions and temporary assignments to promote career growth and succession planning for staff.
- The PGT will continue to build its corporate training program, while focusing on role based training as well as developing technical, communication and ethical decision making skills.
- The PGT will continue to engage in succession planning for critical positions.
- The PGT will continue to include staff in improving business processes.
- The PGT will continue to develop a comprehensive healthy work environment by promoting health and safety initiatives, respectful workplace policies, a meaningful recognition program and effective communication between staff and leadership teams.

## D. ADVOCATING FOR LAW REFORM ON MATTERS THAT WILL AFFECT CLIENT INTERESTS

### THE ISSUE

- Social change or changes in provincial or federal laws may adversely affect PGT clients.

### THE IMPACT ON PGT CLIENTS

- Legislative amendments relating to the court process for appointing a guardian for an incapable adult have not yet been brought into force resulting in a confusing adult guardianship framework consisting of outdated and newer law.
- In British Columbia, there is no legal framework for legal consent to admission of incapable adults to care facilities.
- There is no clear definition of the duties of a public property guardian for children in British Columbia law.
- Legislative amendments relating to compensation for personal injury arising from motor vehicle accidents came into force April 1, 2019 and will change how some infant claims are settled or adjudicated in BC.

### THE PGT RESPONSE

- The PGT will continue to work with government to bring into force legislation regarding care facility admission. Under such legislation, the PGT will have a new statutory role to authorize temporary substitute decision makers to consent to admission or to itself to make decisions regarding admission to care facilities on behalf of incapable adults who have no legal representatives.
- The PGT will review the impact of legislative changes concerning motor vehicle related personal injury claims on the PGT infant settlement review program and prepare related public education materials.
- The PGT will continue to advocate for government to bring into force the outstanding provisions of the *Adult Guardianship and Planning Statutes Amendment Act, 2007* related to the court process for appointing an adult guardian.
- The PGT will continue to advocate for other legal reform that relates to its mandate such as defining the role in statute of a public property guardian of children.

## CONTEXT FOR 2018–2019 PERFORMANCE RESULTS

### Development of PGT Goals, Objectives and Performance Measures

This document reports on PGT performance in year one of the 2018–2021 Service Delivery Plan (SDP) which was approved by the Attorney General. The 2018–2019 budget was funded as set out in the plan. Goals, objectives and performance measures were implemented during 2018–2019 as presented in the SDP and are reported upon in this report.

Accountability requirements under section 22 (2) (c) of the *Public Guardian and Trustee Act* require that the PGT describe major program areas and specify “the performance targets and other measures by which the performance of the program area may be assessed.”

The PGT makes it a priority to meet its performance targets and monitors performance during the year. When targets are at risk, available resources are allocated in year to the program area.

### Goals

The PGT approach to developing its goals focuses on outcomes required to fulfill its mandate. These are the wellbeing of PGT clients, prudent and transparent management of client affairs, operational efficiency and staff effectiveness. Each of the five goals is related to one or more of these outcomes. The PGT’s strategic goals are to:

1

Optimize client service delivery

2

Contribute to a fair and just society

3

Achieve success through relationships

4

Demonstrate accountability and transparency

5

Engage and empower staff

A significant portion of PGT activity involves carrying out fiduciary duty to clients through management of client property and financial assets. The 2018–2019 PGT Performance Measurement Framework linking the goals, objectives and measures (pages 49-59) demonstrates that Goal 1 has the greatest number of associated measures and touches almost every area of the organization and its activities.

## CONTEXT FOR 2018–2019 PERFORMANCE RESULTS

### Objectives

Objectives identified in the SDP serve several functions. They interpret and make visible the meaning of the goals as they relate to specific aspects of PGT work, identify key areas of performance and point to certain desired results in achieving the goals.

The performance measures reflect PGT best efforts to identify aspects of its performance that are most directly related to achieving stated goals and are capable of being measured and validated to an audit standard. Selecting objectives and performance measures is particularly challenging because in most instances the PGT contribution to client outcomes is difficult to isolate.

Goals 3 and 4 do not have specific measures attached to them. The PGT reports on these goals more broadly throughout this Performance Report.

### Performance Measures

The PGT selects goals, objectives, performance measures and targets in accordance with underlying assumptions from its corporate values. PGT clients are often particularly vulnerable and the PGT contributes to their wellbeing through activities that are significant to clients, their family, friends, caregivers or intestate successors. Factors such as accessibility, timeliness, accuracy and empowerment are important to client wellbeing. Other factors include the need for client, service partner, stakeholder and public confidence in PGT expertise.

Many targets are driven by external considerations such as meeting legal requirements (fiduciary obligations), benchmarking against private sector standards (investment returns), responding to safety issues (investigations of high risk situations) or may reflect a balance between determining the acceptable level of performance in a specific period with consideration for resources and constraints. In addition, the PGT must be able to substantiate its reported performance results to an audit standard.

Due to the planning and reporting cycle, targets for the first year of the plan reflect the PGT assessment of appropriate and attainable service levels based on its best judgment at the time the targets were established. Results are continually assessed to determine if measures should be continued, targets should be adjusted or if resources could be reassigned to other service areas. Performance measures and related current and future year targets appear in this report as they were approved in the 2018–2021 PGT Service Delivery Plan.

The PGT has a statutory obligation to report on all program areas. This 2018–2019 Performance Report includes 18 performance measures covering all program areas.

## RISK MANAGEMENT

The PGT acts in a broad range of fiduciary, statutory and court ordered roles and maintains an extensive internal control environment to respond to the legal, financial and other associated risks. Under its Enterprise Risk Management Framework, the PGT regularly reviews and updates risks, potential impacts and mitigation strategies to help ensure they remain current and appropriate.

Strategies are implemented to manage and mitigate the potential for risks to impact the organization. These include planning and implementing internal controls and other risk management activities determined to be appropriate based on the assessed level of risk, due consideration to resource constraints and risk tolerance levels commensurate with the PGT duty as a fiduciary.

The PGT Executive Committee reviewed and updated the PGT risk management framework in October 2018. The PGT also regularly reviews risks throughout the year and implements mitigation strategies as appropriate. While major themes remain largely consistent with those of previous years, this year there was a change to the major risk to the organization. Previously, the biggest risk to the organization was the potential for mismanagement of client information. To mitigate this risk the PGT continues to move forward with obtaining a document management system and making improvements to records management and retention processes. The major risk the organization now faces is priority setting and capacity planning.

Significant PGT risk factors fall into the following three broad risk categories:

- *Legislative framework*: reflecting the impact of changes in government policy, legislation and regulation which could significantly impact service delivery requirements, availability of resources and the PGT revenue and cost model;
- *Demand side factors*: reflecting the impact of increasing demands and complexity without additional funding such as legislative reform and changes in client expectations, awareness of PGT services and demographics that will significantly impact the demand for services from the PGT; and
- *Supply side factors*: reflecting the impact of significant resource limitations to meet current strategic and operational objectives such as the impacts of legislative reform and increasing demand for services from the PGT.

The following table summarizes the most significant specific risks facing the PGT as identified and assessed through the Enterprise Risk Management process in October 2018 and outlines some of the major mitigation strategies. This summary of specific key risks does not describe all potential risks facing the PGT nor all of the related controls and mitigation strategies.

# RISK MANAGEMENT

RISK	NATURE OF RISK	MAJOR MITIGATION STRATEGIES
<ul style="list-style-type: none"> <li>• Priority setting and capacity planning</li> </ul>	<ul style="list-style-type: none"> <li>• Risk that the PGT has inadequate capacity planning and is committing to multiple priorities and may lack capacity to deliver on those priorities.</li> </ul>	<ul style="list-style-type: none"> <li>• The PGT strives to mitigate this risk through rigorous business planning processes that prioritize current and new initiatives within organizational capacity and the overall strategic direction of the organization.</li> </ul>
<ul style="list-style-type: none"> <li>• Client information management</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of inadequate supporting technology impacting PGT ability to access and maintain client information and other internal reporting needs to meet PGT fiduciary duties.</li> </ul>	<ul style="list-style-type: none"> <li>• The PGT plans to mitigate this risk by enhancing existing information management infrastructure, obtaining funding to acquire a document management system and continuing to develop internal reporting.</li> </ul>
<ul style="list-style-type: none"> <li>• Non compliance with PGT policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of employees intentionally or unintentionally not following PGT policies and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• The PGT seeks to mitigate this risk by providing core and role based training which includes reviews of policies and procedures and by continuously monitoring internal controls. PGT Ethical Principles and Standards of Conduct also place a positive duty on staff to stay current with policies and procedures.</li> </ul>
<ul style="list-style-type: none"> <li>• Human resources sufficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Risk that the PGT could not recruit or retain adequate numbers of appropriately qualified employees due to external constraints.</li> </ul>	<ul style="list-style-type: none"> <li>• The PGT acts to mitigate this risk by striving to increase employee engagement, enhancing recruitment and retention initiatives and developing succession plans.</li> </ul>

## 2018–2019 PERFORMANCE RESULTS

In 2018–2019, the PGT met or exceeded its targets for 18 (100%) of the performance measures on which it is reporting. Specific performance details related to each measure are provided in the following performance details section. The Performance Measurement Framework appears on pages 49-59.

### Source Data

Data for this performance report has been drawn primarily from internal information management systems. The primary systems are AXIOM (trust accounting system), CASE (case management application) and FSS (field services system). Financial data is derived largely from the audited financial statements and is rounded.

The PGT maintains clear documentation of the process for collecting and reporting on data supporting its performance results to help ensure consistency and reliability in reported results. Unless otherwise stated, results for specific performance measures are comparable with previous years. The PGT applies a broad range of quality assurance processes and reviews its performance on a quarterly basis. In reporting on performance results, the PGT usually rounds to the nearest whole number.

Unless otherwise specified, client counts reflect varying program workloads as measured by the number of individual clients served throughout the fiscal year. In some instances, the counts will reflect the number of individual clients served and in others, the counts will reflect the number of specific legal authorities under which clients were served with consideration for the fact that one client may be served under multiple authorities.

For the past several years, the PGT has been enhancing its capacity to draw performance reporting results from its information technology systems. Most reports on individual performance measures are now drawn from PGT systems and work continues to make this comprehensive. In the 2016–2017 Performance Report, the PGT reported that it intended to redesign five measures that drew information from the legacy trust accounting system that was replaced on May 1, 2017. The PGT published three new measures that are aligned with the PGT's strategic goals in the 2018–2021 Service Delivery Plan and an additional two new measures were introduced in the 2019–2022 Service Delivery Plan. The PGT follows a leading practices approach by investing time to analyze the information generated from the new system and design new measures that will most satisfy BC Reporting Principles requirements and the *Public Guardian and Trustee Act*. This performance report contains the audited results from the first three new measures that were included in the 2018–2021 Service Delivery Plan.

In accordance with the *Public Guardian and Trustee Act*, this PGT annual performance report is subject to an independent audit to provide third party assurance on the reported results. Financial statements for the PGT Operating Account and Estates and Trusts Administered are also subject to an annual independent audit to provide third party assurance.

## 2018–2019 PERFORMANCE RESULTS

### Comparative Information

The PGT is a unique organization largely without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Due to its responsibilities, mix of services and unique legal status, PGT access to generally accepted service standards is limited. Public guardian and public trustee agencies in other provinces and territories each have some responsibilities and services or elements of them in common with the PGT but none have the same authorities.

For 2018–2019, the PGT is able to make comparisons from its own performance using information reported in its previous annual reports. While some measures have been changed, eliminated or newly introduced over time, the available comparative data has become more substantial each year and has been used in several instances for changing measures and/or modifying performance targets.





## REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

### GOAL 1 – Optimize client service delivery

The PGT administers estates for which the executor, intestate successor, beneficiary or other eligible person is not able or willing to do so. If the PGT is unable to determine the lawful intestate successors of an estate after conducting a search, the balance of the estate after payment of creditors, administrator fees and expenses, is transferred to the BC Unclaimed Property Society.

This activity helps ensure that succession laws and wishes of persons making wills are respected and that efforts are made to locate and distribute their entitlements to intestate successors and beneficiaries.

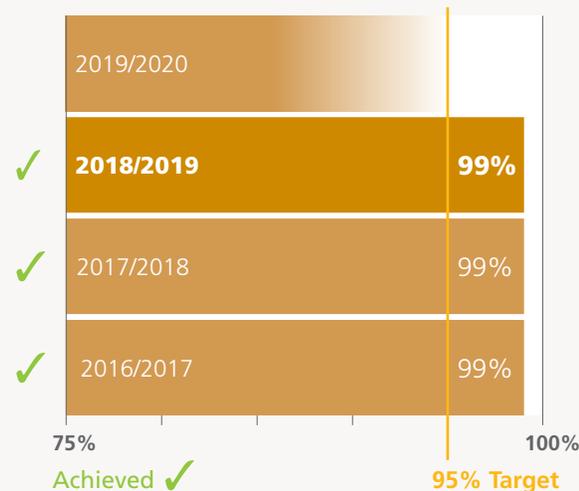
In 2018–2019, PGT Estate and Personal Trust Services distributed \$40,288,021 of which \$38,782,808 (96%) was transferred to intestate successors and beneficiaries.



The PGT is coguardian with MCFD and DAAs for children in continuing care of the Province. Designated officials of MCFD and the DAAs are personal guardians for children in continuing care and the PGT is property guardian. As property guardian, the PGT identifies financial entitlements or legal claims and brings forward appropriate legal action on behalf of the children and youth. This includes legal claims for damages such as personal injury arising from abuse, assault or motor vehicle accidents as well as for statutory benefits such as from the death of a parent.

The PGT receives automated reporting from MCFD and the DAAs of incidents involving children in continuing care and must review these reports to determine whether to commence civil legal proceedings on behalf of the child. This activity satisfies PGT legal obligations as fiduciary and improves the wellbeing of children and youth in continuing care of the Province by protecting their legal rights and financial interests.

In 2018–2019, of 1,137 critical incident reports received directly from MCFD and DAAs, 1,126 (99%) were reviewed and action was initiated by the PGT within 45 calendar days of receipt of the report.



### Objective 1.1 Property and financial interests of PGT clients will be well managed

1.1.1 Percentage of deceased estate funds that are distributed to intestate successors and beneficiaries rather than transferred to the BC Unclaimed Property Society

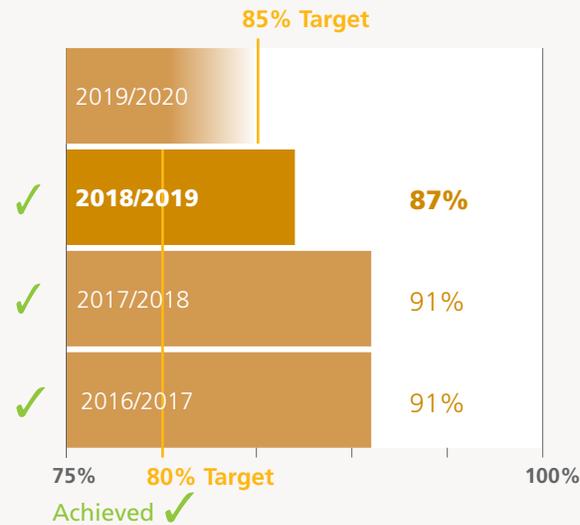
1.1.2 Percentage of critical incident reports in respect of children in continuing care that are reviewed and have action initiated by the PGT within 45 calendar days of receipt

**Objective 1.1**  
**Property and**  
**financial interests**  
**of PGT clients will**  
**be well managed**

1.1.3 Percentage of personalized case plans (covering property, effects, legal issues and living arrangements) that are developed and implemented for new adult clients within six months of PGT appointment as committee of estate

**REPORTS ON INDIVIDUAL PERFORMANCE MEASURES**

**GOAL 1 – Optimize client service delivery**



The PGT may become committee of estate under the *Patients Property Act* for adults who are unable to manage their financial and legal affairs. Completion of a personalized case plan for a new committee of estate client demonstrates that the PGT has taken the steps necessary to identify and secure the client’s property and financial interests and provides for their ongoing protection. Time taken to develop and implement the plan will vary according to the complexity of the client’s property and financial interests.

This activity improves quality of life for incapable adults by making arrangements that respect client wishes to the extent possible and by developing plans to maximize resources available for their care. For most new committee of estate clients, six months is a reasonable expectation in which to complete the plan as normally several months are required to collect all relevant information about the client.

During 2018–2019, 203 new clients required these plans and the PGT developed personalized case plans for 177 (87%) of them within the six month time frame.

1.1.4 For children and youth where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed



The PGT implements and maintains personalized case plans on behalf of child and youth clients where ongoing assistance with day to day maintenance has been approved. Maintenance includes a broad range of payments to the caregiver for day to day costs of the child’s needs. This activity improves the quality of life for minors by providing timely decisions regarding sustainable management of their resources to meet current and future financial needs.

In 2018–2019, personalized case plans were developed and implemented or reviewed within the target timelines for 81 of 83 (98%) minor clients for whom ongoing maintenance has been approved.

## REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

### GOAL 1 – Optimize client service delivery

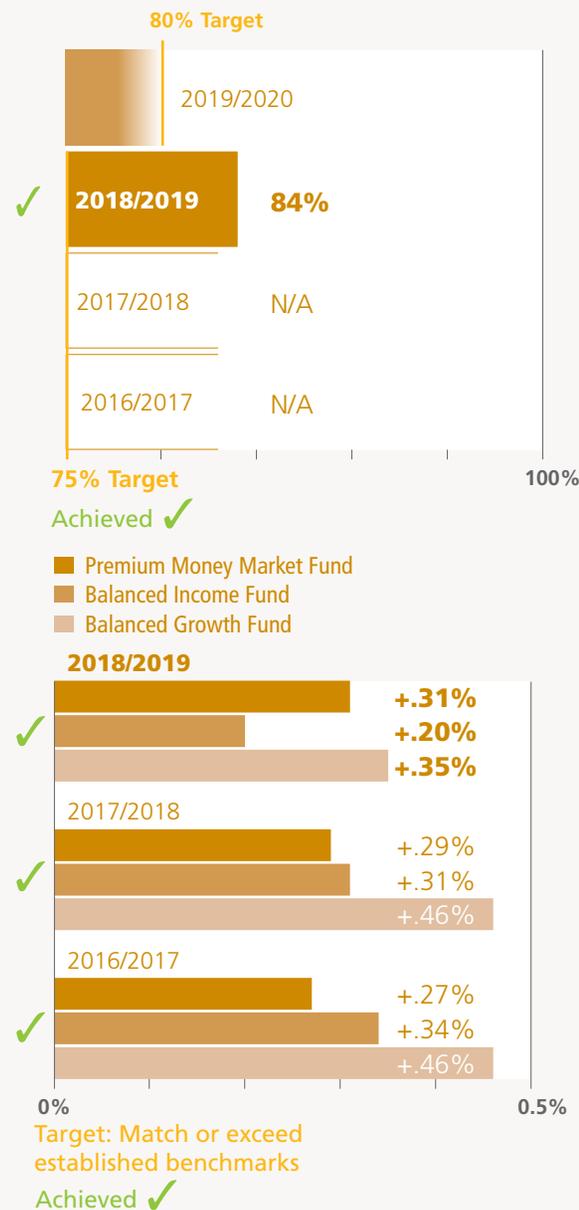
Developing and implementing client investment plans supports investment decisions that are tailored to individual client circumstances. Individual client circumstances, such as increased or decreased needs for cash funds, are considered when developing and reviewing investment plans. Reviewing existing client investment plans is important because client needs and risk tolerance change over time. Frequency of reviews is also related to the asset mix in the client investment plan. The PGT reviews client investment plans on a rotating basis according to the assessed level of risk associated with the client investment portfolio.

Completing investment plans and reviews contributes to improved quality of life for clients by helping ensure that financial planning remains current to maximize resources available for client specific needs. In 2018–2019, of 1,168 client investment plans and reviews scheduled and required to be completed, 983 (84%) were completed prior to the specified due date.

PGT client funds are invested to maximize returns in a manner appropriate to individual client circumstances. This measure is a means of comparing performance by investment managers retained by the PGT against established industry benchmarks. The PGT has three pooled common funds: the Premium Money Market Fund, the Balanced Income Fund and the Balanced Growth Fund. The majority of client funds are held in the Premium Money Market Fund.

The PGT calculates investment returns using the investment industry standard of five year rolling averages with information on returns calculated by third party professional measurement services. RBC Investor and Treasury Services measures the Balanced Income Fund and the Balanced Growth Fund and the BC Investment Management Corporation measures the Premium Money Market Fund.

Professional investment management improves quality of life for clients by prudently managing their financial resources to help ensure their resources are maximized to meet their needs. In 2018–2019, investment returns for all three pooled funds exceeded the established benchmarks. The Premium Money Market Fund is comprised of two separate components, a money market pool component and a segregated bond portfolio. For the Premium Money Market Fund, the measure assesses only the performance of the money market pool. Details are recorded in the accompanying tables.



### Objective 1.1 Property and financial interests of PGT clients will be well managed

1.1.5 Percentage of investment plans and reviews completed prior to specified due date

1.1.6 Investment returns for all three pooled funds match or exceed established benchmarks

**Objective 1.1**  
**Property and**  
**financial interests**  
**of PGT clients will**  
**be well managed**

1.1.7 Physical assets of new deceased estates secured within 15 calendar days of notification of death

**REPORTS ON INDIVIDUAL PERFORMANCE MEASURES**  
**GOAL 1 – Optimize client service delivery**

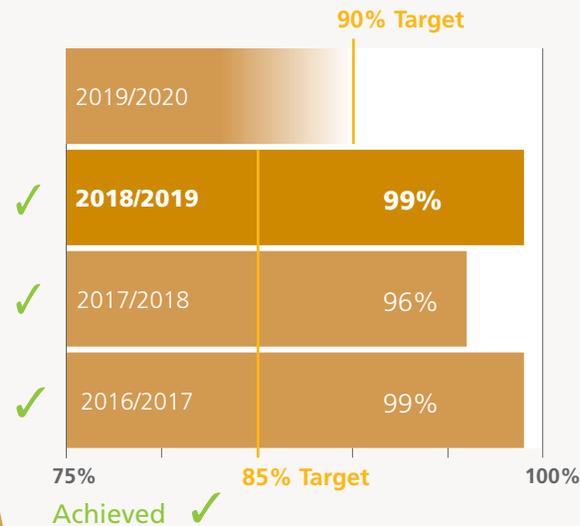


Securing the physical assets of a deceased person’s estate is a critical step in reducing risk of damage and preventing loss to the value of the estate. The result for creditors and beneficiaries of the estate improves according to the speed with which physical assets are secured. This activity secures assets and maximizes funds available to estates of deceased persons.

In 2018–2019, the PGT was notified of 82 new deceased estates where the PGT provided this service. Of these, the physical assets for 63 (77%) were secured within 15 calendar days.

Note that this measure is discontinued in the 2019–2022 Service Delivery Plan until a more suitable replacement measure is developed.

1.1.8 Assets will be entered into the trust accounting system within five business days of receipt of the work order



PGT Field Services secures client physical assets, taking custody of them and providing for their security. Timely recording of the assets in the PGT field services and trust accounting system are key elements in securing them.

In 2018–2019, of 574 client inventory reports, 573 (99%) were recorded within five business days.

# REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

## GOAL 1 – Optimize client service delivery

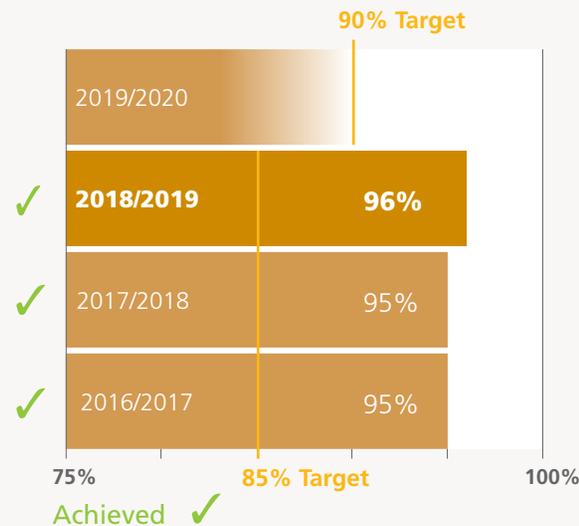
There are a small number of adult clients for whom the PGT acts as a court appointed committee of person and is responsible for their personal care interests. The PGT attempts to visit these clients at least once every year. For the PGT, the visit is an opportunity to review the client’s personal situation and assess whether changes are required to help ensure protection of their ongoing personal and health care interests. For the adult, the visit is an opportunity to convey information directly to the PGT without an intermediary such as a caregiver or care facility administrator.

This performance measure focuses on clients for whom the PGT has the greatest responsibility. Client visits improve quality of life for clients through direct contact with PGT staff and provide for their maximum empowerment. In 2018–2019, visits were made to 109 of 109 (100%) adult clients for whom the PGT acts as committee of person.



The PGT administers estates of deceased persons. The EPTS division conducts a client satisfaction survey with intestate successors and beneficiaries who receive funds when administration of an estate is completed. This activity measures client satisfaction and gives intestate successors and beneficiaries the opportunity to comment on what is important to them regarding services. This activity also improves service delivery by highlighting areas needing improvement.

In 2018–2019, there were 292 completed surveys. Of these, 267 of the 277 (96%) beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.



### Objective 1.2 The PGT will deliver high quality client centred services

1.2.1 Percentage of committee of person adult clients who are annually visited by PGT staff

1.2.2 Percentage of intestate successors and beneficiaries responding to survey who rated administration services for deceased estates as good or very good

**Objective 2.1**  
**Personal interests**  
**of PGT clients will**  
**be protected**

2.1.1 Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

**REPORTS ON INDIVIDUAL PERFORMANCE MEASURES**

**GOAL 2 – Contribute to a fair and just society**

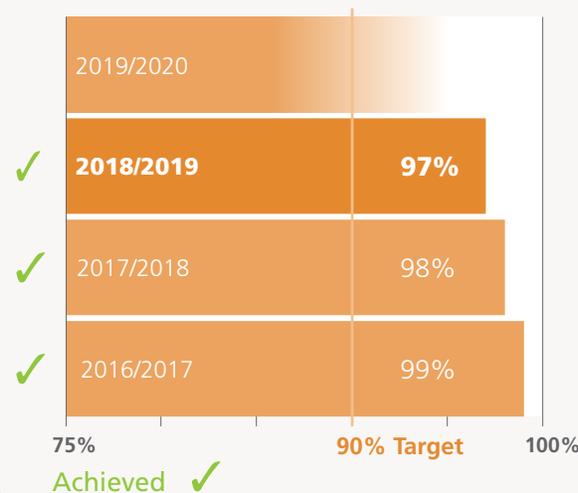


The PGT protects the personal interests of adults incapable of giving health care consent by making these decisions on their behalf as temporary substitute decision maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*. The timeliness of PGT substitute health care decisions as TSDM is important to the wellbeing and rights protection of the individual for whom treatment has been proposed by a health care provider.

This performance measure focuses on the most serious decisions which are classified as "major" under the *Health Care (Consent) and Care Facility (Admission) Act*. Timeliness of decision making is important because it facilitates clients receiving health care in a timely manner if that treatment is consented to by the TSDM. In 2018–2019, of 82 major health care decisions, 81 (99%) were made within the three business day time frame.

**Objective 2.2**  
**Statutory protective**  
**and monitoring**  
**services will be**  
**delivered in an**  
**appropriate, timely**  
**and fair manner**

2.2.1 Percentage of proposed minors' settlements \$5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received



Under the *Infants Act*, the PGT must review all proposals to settle a variety of claims on behalf of a minor for unliquidated damages such as personal injury arising from motor vehicle accidents, medical malpractice, wrongful death of a parent and other claims. The PGT has jurisdiction to approve infant settlements of \$50,000 or less (exclusive of interest and costs) outside the court process. The PGT also provides written comments to the court for amounts greater than \$50,000 or when the PGT has refused to approve a settlement for less than \$50,000 and the parties have chosen to proceed to court to seek approval.

This statutory service protects the property rights of minors in obtaining fair and reasonable compensation from negligent parties or their insurers. It also contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner. Within this time frame, the PGT works as quickly as possible as PGT review is usually the final step in what may already have been a very long process for the child and parent or guardian.

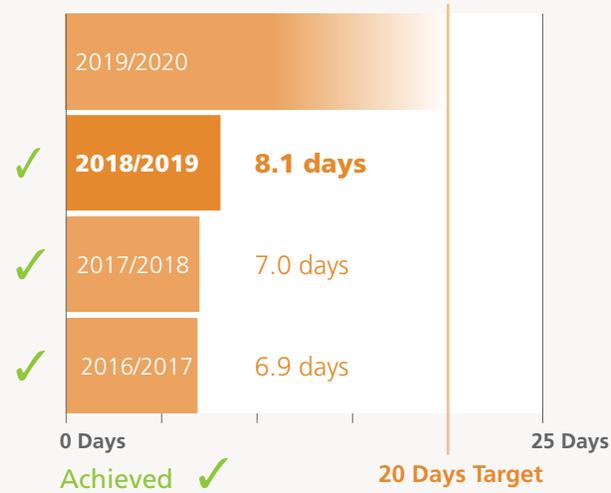
In 2018–2019, in 359 of 370 cases (97%), the PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 calendar days of all relevant information being received.

# REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

## GOAL 2 – Contribute to a fair and just society

This measure is related to the previous measure (2.2.1) and focuses on proposed settlements of minors' claims for unliquidated damages under \$5,000. The PGT must review all proposals to settle a claim by a minor for unliquidated damages and has jurisdiction to approve infant settlements of \$50,000 or less (exclusive of interest and costs) outside the court process.

These smaller settlements are reported separately because they are usually less complex than larger settlements and it is possible for them to be reviewed more quickly. In 2018–2019, the PGT reviewed and concluded 50 proposed settlements under \$5,000 in an average of 8.1 elapsed days per settlement.



The PGT is mandated under the *Public Guardian and Trustee Act* to protect incapable adults at risk for abuse, neglect and self neglect. One way it does this is to safeguard their assets so that persons seeking to take financial advantage of the adults will be unable to do so. Under section 19, the PGT orders financial institutions and others to restrict access to the assets of an individual while the PGT investigates the situation.

The speed of PGT action can be a major determinant of whether client assets are protected. Taking protective measures in a timely manner increases safety for abused, neglected and self neglecting incapable adults. In 2018–2019, the PGT took protective measures in 187 cases. In 180 (96%) of these, protective measures were taken within one working day.



### Objective 2.2 Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner

2.2.2 For minors' settlements under \$5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received

2.2.3 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the *Public Guardian and Trustee Act*

**Objective 2.2**  
Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner

2.2.4 Percentage of private committee accounts reviewed within six months of receipt

## REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

### GOAL 2 – Contribute to a fair and just society



The court may order that a family member or other person may become committee of a mentally incapable adult.

The PGT helps committees to understand their role and monitors the actions of committees by reviewing their accounts on a regular basis and undertaking investigations when concerns are reported.

The PGT reviews accounts according to a defined schedule to help ensure the committee is applying the adult's funds appropriately. Account reviews are completed in a timely manner so that losses related to mismanagement or misappropriation can be remedied and future problems prevented.

In 2018–2019, of 562 accounts submitted for review to the PGT, 431 (77%) were reviewed within six months of receipt.

**Objective 2.3**  
The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients

2.3.1 Prepare a report making recommendations for amendments to the *Class Proceedings Act* which will provide greater protections for persons under a legal disability who may have a claim pursuant to a class action



The PGT contributed to public awareness and potential law reform by drafting a report with recommendations for amendments to the *Class Proceedings Act* to provide greater protections for persons under a legal disability who may have a claim pursuant to a class action.

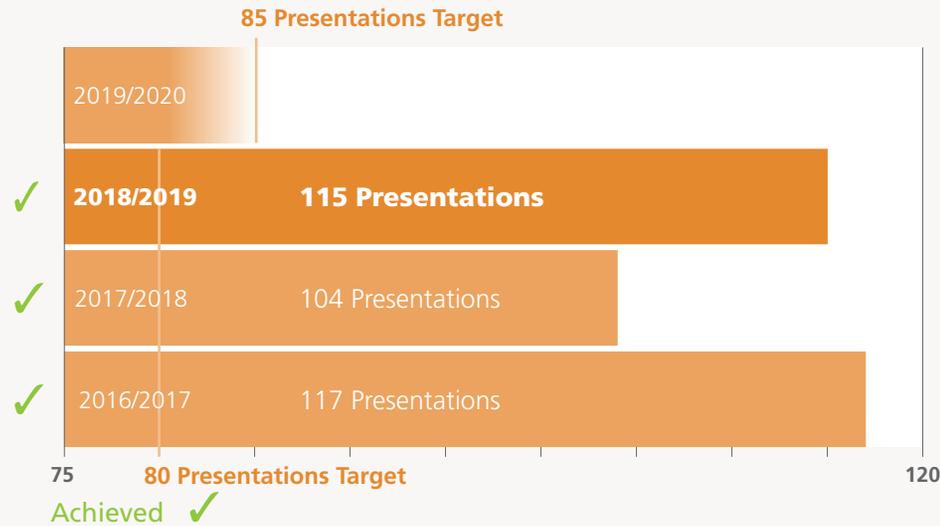
The PGT recommendations included enhancements to the notification provisions under the Act and an expansion of the group of persons who have standing in class proceedings. These proposed amendments would provide additional protection to persons under disability whose interests are affected by a class action proceeding and would signal that attention must be paid to protecting those who experience barriers in advancing their own interests.

# REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

## GOAL 2 – Contribute to a fair and just society

The public, service partners and stakeholders continue to request the PGT to make presentations about PGT roles and areas of responsibility. Over the last few years, the PGT has been involved with implementing new legislation and the related requirement for public education activities is great. The PGT strives to meet the demand for public education activities which must be balanced against other service requirements.

Better understanding of the PGT role promotes appropriate uptake of PGT services and is an important element in a PGT demand management strategy. In 2018–2019, the PGT made 115 public presentations.



**Objective 2.3**  
The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients

2.3.2 PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums

**Objective 3.1**  
**Build relationships and understanding of roles with clients and stakeholders to support improved service**

## **REPORTS ON INDIVIDUAL PERFORMANCE MEASURES**

### **GOAL 3 – Achieve success through relationships**

Assessment – There are no specific performance measures for this goal, however, the PGT plans to achieve its mandate through working with others including clients, their friends and families, organizations with statutory authority and a wide range of professional and organizational service providers. This includes participating in government wide and government/community initiatives as documented in this report (see pages 34-36).

**Objective 4.1**  
**Provide meaningful information to clients, stakeholders and the public**

## **REPORTS ON INDIVIDUAL PERFORMANCE MEASURES**

### **GOAL 4 – Demonstrate accountability and transparency**

Assessment – All of the specific performance measures described under the previous goals also relate to this goal. In addition, the PGT is approaching this goal by responding to a large number of strategic and operational factors. Implementing supportive information technology, particularly further operationalizing the trust accounting system and securing a new document management system are two major strategic approaches. The PGT has a strong accountability framework that includes an Enterprise Risk Management Framework (see pages 44-45) and independently audited public reporting on performance and operations (see pages 70-106).

## REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

### GOAL 5 – Engage and empower staff

Training and learning is a vital component of developing a motivated and skilled workforce. The increasing complexity of substitute decision making for vulnerable clients and of managing client financial assets and estates demands that appropriate and continuous skills and knowledge training be provided to staff. Often this type of learning is not available in formal educational programs. To this end, the PGT delivers in person and eLearning training and education programs focusing on substantive knowledge based education and role based training for staff.

The percentage of staff who receive training is another indicator contributing to quality client service. In 2018–2019, 228 of 243 (94%) received at least 10 hours of client service related learning.



#### Objective 5.1 Develop motivated, skilled and accountable leaders and staff

5.1.1 Percentage of existing PGT staff that completed at least 10 hours of client service related learning



## LINKING RESOURCES TO PERFORMANCE

### LINKING RESOURCES, STRATEGIES AND RESULTS

#### Background

The PGT is responsible by law for delivering a broad range of services to clients and is self funded for a large percentage of its expenditure budget. In developing its annual budget, the PGT provides for meeting its statutory and fiduciary obligations to its clients. The PGT establishes strategic goals and determines performance measures and targets within the budgeted resources and constraints of a given year in the context of its three year service plan.

The PGT delivers client services through a combination of activities that are specific to an operational division, integrated between divisions, across divisions or are delivered in conjunction with service partners:

- Operational divisions focus on broad client groups such as children and youth, adults and estates of deceased persons. Costs are assigned directly to the divisions.
- Activities of operational divisions are supported by integrated services such as legal, investments, information systems, securing of client assets, warehousing, budgeting, facilities and executive support services. Costs for these integrated services are assigned across operational divisions using an allocation model developed to reflect approximate usage.

- Some services, such as quality assurance and risk management, are delivered in a cross divisional manner. Costs of cross divisional services are assigned directly through operational division budgets and indirectly through costs assigned through an allocation model.
- Services such as maintaining client real property are delivered in conjunction with service partners and are charged directly to clients.

See pages 68 and 69 for the Allocation of Recoveries and Expenses by Program – Budget and Actual (unaudited) for the year ended March 31, 2019.

Delivery of services and allocation of costs are reflected in Table 1: Areas of Expenditures and PGT Strategic Goals (unaudited) on pages 62 and 63, describing which PGT goals apply to which area of expenditure. The table provides a context to put PGT areas of expenditure into perspective. The distribution also reflects the integrated and cross divisional nature of PGT operations.

#### Linkages

Client services fall into one of two broad service areas:

- Estate and trust services are fiduciary in nature with the greatest impact from the service on the management of individual client assets which is reflected in the total or high level of cost recovery.

## LINKING RESOURCES TO PERFORMANCE

- Public services are regulatory in nature with the greatest impact from the service on monitoring or oversight and the limited or non-existent cost recovery reflects the public nature of these services.

Table 1 (unaudited) demonstrates that most PGT goals apply broadly to most areas of expenditure and may involve both a number of programs and expenditures and a number of divisions.

### Challenges

The challenge of segmenting expenditures is greatest at the broad goal level. It is a lesser challenge in the case of specific performance measures within each goal as these are more likely to apply to a single area of expenditure. However, the PGT considers that elaboration of budget particulars at the individual measure level is not possible as the work is too interrelated and spread throughout PGT activities.

For example, integrating a new adult client requires more than preparation of a new case plan. Assets must be secured, legal interests must be considered, real property may have to be sold, an investment plan may have to be developed and overdue taxes may have to be made current.

These complex linkages mean that although the areas of expenditure are linked with groups of strategic goals, the relationship between performance and outcomes and changes in costs may not be direct or immediate.



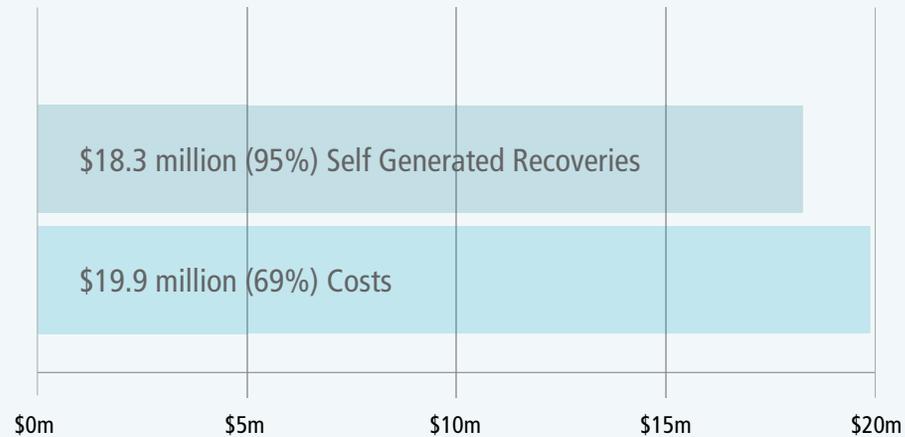
**TABLE 1**

**AREAS OF EXPENDITURE AND PGT STRATEGIC GOALS (UNAUDITED)\***

**Estate and Trust Services**

Goals 1, 3, 4 and 5 most directly affected

\*All PGT expenditures are allocated into one of two categories according to the nature of the work, i.e., estate and trust services or public services. Goals may apply in both categories. Individual performance measures within a goal may relate more specifically to one area of expenditure than another.



**ESTATE AND TRUST SERVICES**

Estate and trust services are the primary PGT responsibility and in 2018–2019 accounted for \$19.9 million or 69% of total costs and produced \$18.3 million or 95% of total self generated recoveries from fees.

Estate and trust services include the following:

- Child trust services
- Adult trust services
- Estate and personal trust services

**Context**

- PGT Estate and Personal Trust Services division achieved cost recovery. The rate of recovery was 113% in 2018–2019 (122% in 2017–2018).
- The PGT acts as a prudent investor in managing all client invested funds. These investment activities support objectives under Goal 1 by helping to ensure property and financial interests of PGT clients are well managed. At March 31, 2019, the average cost per client for salaries and benefits within the PGT investment services section was \$12.67 (\$15.50 at March 31, 2018).

## Public Services

Goals 1, 2, 3, 4 and 5 most directly affected

### PUBLIC SERVICES

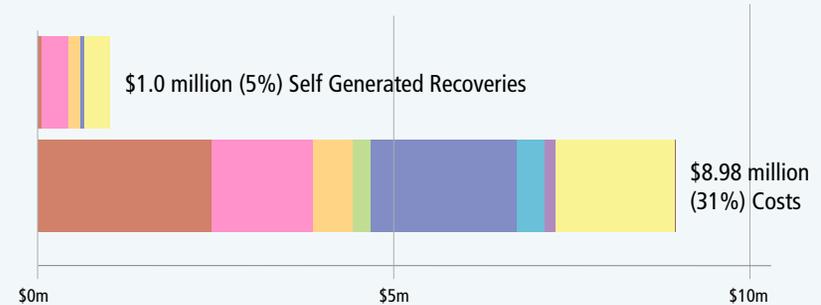
Public services accounted for \$8.98 million or 31% of total costs in 2018–2019 and produced \$1.00 million or 5% of total self generated recoveries from fees.

Public services include the following:

Program Areas	Costs	Self Generated Recoveries
<b>Child and Youth Services</b>		
Property guardian	\$2.44 million	\$0.07 million
Infant settlement and other legal reviews	\$1.43 million	\$0.34 million
Grant application reviews	\$0.57 million	\$0.16 million
Litigation guardian	\$0.24 million	-
<b>Services to Adults</b>		
Assessment and investigation	\$2.06 million	\$0.07 million
Temporary substitute decision making	\$0.40 million	-
Committee of person	\$0.16 million	-
Private committee services	\$1.67 million	\$0.36 million
Other adult legal services	\$0.01 million	-
<b>TOTAL</b>	<b>\$8.98 million</b>	<b>\$1.00 million</b>

### Context

Under the *Health Care (Consent) and Care Facility (Admission) Act*, PGT staff make substitute health care treatment decisions or appoint other suitable decision makers. This health care decision making activity supports objectives under Goal 2 by helping to ensure personal interests of PGT clients are protected. In 2018–2019, average unit cost was \$1,761 (\$1,591 in 2017–2018).



The *Wills, Estates and Succession Act* requires that the PGT be notified before a court application for a grant involving interests of a child or incapable adult. These grant application reviews support objectives under Goal 3 by helping to ensure statutory protective and monitoring services are delivered in an appropriate, timely and fair manner. In 2018–2019, cost per review was \$890 (\$937 in 2017–2018) and the *Public Guardian and Trustee Fees Regulation* allows a fee of \$300 per notice for this review.

**TABLE 2**

**PGT VOTED FUNDING, RECOVERIES AND EXPENSES, 2013–2014 TO 2018–2019**



## RECOVERIES AND PROGRAM COSTS 2018–2019

### Introduction

The PGT cost allocation model was developed to show recoveries from fees and costs in a meaningful way by linking resources to the costs of providing service. Budgeted figures have been provided from the Estimates approved by the Legislative Assembly of British Columbia on May 30, 2018. Actual results are provided from the audited financial statements of the Public Guardian and Trustee Operating Account. The amounts may differ from the Public Accounts due to timing differences resulting from accruals and adjustments below the materiality threshold of the Province of British Columbia.

### Recovery Sources and Variances

Recoveries are comprised of fees charged in accordance with the *Public Guardian and Trustee Fees Regulation* and funding received from the Province of British Columbia.

## RECOVERIES AND VARIANCES (UNAUDITED)

<b>Recoveries and Variances (Unaudited) for the Year Ended March 31, 2019 (expressed in thousands of dollars)</b>					
	<b>Budget</b>	<b>Actual</b>	<b>\$ Variance*</b>	<b>% Variance*</b>	<b>Note</b>
<b>External recoveries from fees</b>					
Commissions	\$ 10,573	\$ 10,298	\$ (275)	(3%)	
Asset management fees	6,808	7,026	218	3%	
Estate liaison administration fees	552	510	(42)	(8%)	
Minimum administration fees	279	413	134	48%	1
Heir tracing fees	93	90	(3)	(3%)	
Fees for investigations, monitoring and legal services	1,044	909	(135)	(13%)	2
Other	40	40	(0)	(0%)	3
Total external recoveries from fees	19,389	19,286	(103)	(1%)	
Voted funding from the Province of British Columbia	9,365	9,365	-	0%	
<b>Total</b>	<b>\$ 28,754</b>	<b>\$ 28,651</b>	<b>\$ (103)</b>	<b>(0%)</b>	

*\*Brackets in variance column indicate budget recoveries in excess of actual*

### Explanatory Notes on Recoveries Variances

1. Although more than budgeted, the amount earned is consistent with 2017–2018.
2. The implementation of an accrual based trust accounting system resulted in improvements in the timing of recognizing external recoveries from fees and a decrease to certain fees in 2018–2019 due to the transition.
3. Consists of recognition of deferred revenue to recover costs pursuant to the claims protocol agreement related to a class action settlement.

## EXPENSES AND VARIANCES (UNAUDITED)

Expenses and Variances (Unaudited) for the Year Ended March 31, 2019 (expressed in thousands of dollars)					
	Budget	Actual	\$ Variance*	% Variance*	Note
<b>Expenses</b>					
Salaries and benefits	\$ 22,149	\$ 22,314	\$ 165	1%	
Computer systems and support	2,128	2,721	593	28%	1
Other operating and administrative costs	1,956	1,474	(482)	(25%)	2
Amortization	1,275	1,269	(6)	(0%)	
Client expenditures	646	669	23	4%	
Professional services	278	301	23	8%	
Legal services	260	53	(207)	(80%)	3
Building occupancy	62	30	(32)	(52%)	
<b>Total expenses</b>	<b>\$ 28,754</b>	<b>\$ 28,831</b>	<b>\$ 77</b>	<b>0%</b>	

\*Brackets in variance column indicate budget expenses in excess of actual

### Explanatory Notes on Expense Variances

1. Increased contracted support was required for the maintenance and post implementation support of the trust accounting system.
2. The allowance for doubtful accounts was lower than budgeted due to an improved assessment of the collectibility of receivables.
3. Potentially recoverable legal services provided to non trust clients, which were previously expensed as incurred, are now recorded as receivables in the trust accounting system.

**Public Guardian and Trustee of British Columbia**  
**Allocation of Recoveries and Expenses by Program Area - Budget (Unaudited)**  
**Fiscal year end March 31, 2019**

(Expressed in thousands of dollars)

	ESTATE AND TRUST SERVICES				PUBLIC SERVICES			Total
	Adult Trust Services	Estate and Personal Trust Services	Child Trust Services	Subtotal	Adult Services	Child Services	Subtotal	
<b>External recoveries from fees</b>								
Commissions	5,439	4,226	908	<b>10,573</b>	-	-	-	<b>10,573</b>
Asset management fees	3,993	1,597	1,151	<b>6,741</b>	-	67	<b>67</b>	<b>6,808</b>
Estate liaison administration fees	552	-	-	<b>552</b>	-	-	-	<b>552</b>
Minimum administration fees	279	-	-	<b>279</b>	-	-	-	<b>279</b>
Heir tracing fees	-	93	-	<b>93</b>	-	-	-	<b>93</b>
Other	20	-	-	<b>20</b>	555	509	<b>1,064</b>	<b>1,084</b>
<b>Total external recoveries from fees</b>	<b>10,283</b>	<b>5,916</b>	<b>2,059</b>	<b>18,258</b>	<b>555</b>	<b>576</b>	<b>1,131</b>	<b>19,389</b>
<b>Expenses</b>								
Salaries and benefits	9,492	3,943	1,333	<b>14,768</b>	3,573	3,808	<b>7,381</b>	<b>22,149</b>
Computer systems and support	990	344	141	<b>1,475</b>	346	307	<b>653</b>	<b>2,128</b>
Other operating and administrative costs	895	181	464	<b>1,540</b>	196	220	<b>416</b>	<b>1,956</b>
Amortization	593	206	85	<b>884</b>	208	183	<b>391</b>	<b>1,275</b>
Client expenditures	431	160	5	<b>596</b>	42	8	<b>50</b>	<b>646</b>
Professional services	99	61	28	<b>188</b>	50	40	<b>90</b>	<b>278</b>
Legal services	169	-	-	<b>169</b>	28	63	<b>91</b>	<b>260</b>
Building occupancy	26	11	4	<b>41</b>	10	11	<b>21</b>	<b>62</b>
<b>Total operating expenses</b>	<b>12,695</b>	<b>4,906</b>	<b>2,060</b>	<b>19,661</b>	<b>4,453</b>	<b>4,640</b>	<b>9,093</b>	<b>28,754</b>
<b>Net external recovery (expense)*</b>	<b>(2,412)</b>	<b>1,010</b>	<b>(1)</b>	<b>(1,403)</b>	<b>(3,898)</b>	<b>(4,064)</b>	<b>(7,962)</b>	<b>(9,365)</b>
<b>Other revenue</b>								
Voted funding from the Province of British Columbia								\$ 9,365
<b>Balance</b>								-

\*Does not include deduction for centralized overhead costs paid and expensed by other government entities for PGT operating costs including certain financial and administrative services, post employment benefits, and office and warehouse facilities.

**Public Guardian and Trustee of British Columbia**  
**Allocation of Recoveries and Expenses by Program Area - Actual (Unaudited)**  
**Fiscal year end March 31, 2019**

(Expressed in thousands of dollars)

	ESTATE AND TRUST SERVICES				PUBLIC SERVICES			Total
	Adult Trust Services	Estate and Personal Trust Services	Child Trust Services	Subtotal	Adult Services	Child Services	Subtotal	
<b>External recoveries from fees</b>								
Commissions	5,951	3,804	543	<b>10,298</b>	-	-	-	<b>10,298</b>
Asset management fees	4,052	1,743	1,163	<b>6,958</b>	-	68	<b>68</b>	<b>7,026</b>
Estate liaison administration fees	510	-	-	<b>510</b>	-	-	-	<b>510</b>
Minimum administration fees	413	-	-	<b>413</b>	-	-	-	<b>413</b>
Heir tracing fees	-	90	-	<b>90</b>	-	-	-	<b>90</b>
Other	20	-	-	<b>20</b>	423	506	<b>929</b>	<b>949</b>
<b>Total external recoveries from fees</b>	<b>10,946</b>	<b>5,637</b>	<b>1,706</b>	<b>18,289</b>	<b>423</b>	<b>574</b>	<b>997</b>	<b>19,286</b>
<b>Expenses</b>								
Salaries and benefits	9,839	3,942	1,361	<b>15,142</b>	3,343	3,829	<b>7,172</b>	<b>22,314</b>
Computer systems and support	1,276	440	184	<b>1,900</b>	435	386	<b>821</b>	<b>2,721</b>
Other operating and administrative costs	666	180	225	<b>1,071</b>	200	203	<b>403</b>	<b>1,474</b>
Amortization	590	205	84	<b>879</b>	207	183	<b>390</b>	<b>1,269</b>
Client expenditures	434	166	4	<b>604</b>	46	19	<b>65</b>	<b>669</b>
Professional services	111	63	29	<b>203</b>	54	44	<b>98</b>	<b>301</b>
Legal services	35	-	-	<b>35</b>	6	12	<b>18</b>	<b>53</b>
Building occupancy	13	5	2	<b>20</b>	5	5	<b>10</b>	<b>30</b>
<b>Total operating expenses</b>	<b>12,964</b>	<b>5,001</b>	<b>1,889</b>	<b>19,854</b>	<b>4,296</b>	<b>4,681</b>	<b>8,977</b>	<b>28,831</b>
<b>Net external recovery (expense)*</b>	<b>(2,018)</b>	<b>636</b>	<b>(183)</b>	<b>(1,565)</b>	<b>(3,873)</b>	<b>(4,107)</b>	<b>(7,980)</b>	<b>(9,545)</b>
<b>Other revenue</b>								
Voted funding from the Province of British Columbia								9,365
<b>Balance</b>								(180)

\*Does not include deduction for centralized overhead costs paid and expensed by other government entities for PGT operating costs including certain financial and administrative services, post employment benefits, and office and warehouse facilities.

## AUDITED FINANCIAL STATEMENTS 2018–2019



# OPERATING ACCOUNT

Financial Statements of the  
Operating Account of the

## **PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Year ended March 31, 2019



700 – 808 West Hastings Street, Vancouver, BC V6C 3L3 • Phone: (604) 660-4444 • Fax: (604) 660-0374  
[www.trustee.bc.ca](http://www.trustee.bc.ca)

## **MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE OPERATING ACCOUNT FINANCIAL STATEMENTS OF THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with Canadian public sector accounting standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's ethical principles and standards of conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial statements and their report follows.

Catherine M. Romanko  
Public Guardian and Trustee

June 28, 2019



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Telephone (604) 691-3000  
Fax (604) 691-3031

## INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

### Opinion

We have audited the financial statements of the Operating Account of the Public Guardian and Trustee of British Columbia (the PGT), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operation and accumulated surplus for the year then ended
- the statement of changes in financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the PGT as at March 31, 2019 and the results of its operations and cash flow for the year ended in accordance with Canadian Public Sector Accounting Standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the PGT in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. KPMG Canada provides services to KPMG LLP.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the PGT's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the PGT or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the PGT's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PGT's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PGT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the PGT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
June 28, 2019

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2019, with comparative information for 2018

	Notes	2019	2018
<b>Financial assets</b>			
Cash	4(a)	\$ 21,192	\$ 20,221
Due from Estates and Trusts Administered	5	3,499	3,229
Other financial assets		742	183
		<u>25,433</u>	<u>23,633</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		2,092	1,244
Deferred revenue		330	329
		<u>2,422</u>	<u>1,573</u>
<b>Net financial assets</b>		23,011	22,060
<b>Non-financial assets</b>			
Tangible capital assets	6	3,657	4,788
<b>Accumulated surplus</b>	3	\$ 26,668	\$ 26,848
Contingent liabilities	7		

The accompanying notes are an integral part of these financial statements.

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Catherine M. Romanko  
Public Guardian and Trustee

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Operating Account

#### Statement of Operations and Accumulated Surplus (Expressed in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

	Notes	2019 Budget (Note 8)	2019	2018
External recoveries from fees		\$ 19,389	\$ 19,286	\$ 19,282
Funding from the Province of British Columbia	4(b)	9,365	9,365	8,909
		28,754	28,651	28,191
Expenses:	4(c)			
Salaries and benefits		22,149	22,314	21,655
Computer systems and support		2,128	2,721	1,840
Other operating and administrative costs		1,956	1,474	1,701
Amortization		1,275	1,269	1,067
Client expenditures		646	669	728
Professional services		278	301	798
Legal services		260	53	177
Building occupancy	4(d)	62	30	237
		28,754	28,831	28,203
Annual deficit		-	(180)	(12)
Accumulated surplus, beginning of year		26,848	26,848	26,860
Accumulated surplus, end of year		\$ 26,848	\$ 26,668	\$ 26,848

The accompanying notes are an integral part of these financial statements.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Changes in Net Financial Assets  
(Expressed in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

	2019 Budget (Note 8)	2019	2018
Annual deficit	\$ -	\$ (180)	\$ (12)
Acquisition of tangible capital assets	(363)	(138)	(4,243)
Amortization of tangible capital assets	1,276	1,269	1,067
Increase (decrease) in net financial assets	913	951	(3,188)
Net financial assets, beginning of the year	22,060	22,060	25,248
Net financial assets, end of the year	\$ 22,973	\$ 23,011	\$ 22,060

The accompanying notes are an integral part of these financial statements.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Cash Flows  
(Expressed in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

	Notes	2019	2018
Cash provided by (used in):			
Operating activities:			
Annual deficit		\$ (180)	\$ (12)
Non-cash item:			
Amortization of tangible capital assets		1,269	1,067
Change in due from Estates and Trust Administered		(270)	(1,338)
Change in other financial assets		(559)	(45)
Change in accounts payable and accrued liabilities		848	33
Change in deferred revenue		1	204
		1,109	(91)
Capital activities:			
Acquisition of tangible capital assets		(138)	(4,243)
Increase (decrease) in cash		971	(4,334)
Cash, beginning of year		20,221	24,555
Cash, end of year		\$ 21,192	\$ 20,221
Cash consists of:			
Cash held by the Province of British Columbia		\$ 18,655	\$ 18,679
Cash held directly		2,537	1,542
		\$ 21,192	\$ 20,221

The accompanying notes are an integral part of these financial statements.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2019

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## 1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the “PGT”) Operating Account (“Operating Account”) operates under the authority of the Public Guardian and Trustee Act (the “Act”). The Operating Account is not liable for taxation, except insofar as the government is liable. The Operating Account was established as a Special Account in the general fund of the consolidated revenue fund of the Province of British Columbia.

The Operating Account reports the revenues earned from the services provided to clients of the PGT and the operating and capital expenditures relating to the provision of these services. Clients are adults who are not capable of managing their own affairs, deceased persons’ estates which have no other person willing and able to act for them, estates of missing persons, and children in receipt of settlement funds, insurance policy proceeds or money from estates.

Separate financial statements have been prepared as at March 31, 2019 for client trust accounts, which include \$1.04 billion (2018 - \$0.98 billion) of net assets held in trust.

## 2. Significant accounting policies:

### (a) Basis of accounting:

Management has prepared these financial statements in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of CPA Canada. These financial statements were authorized for issue by the Public Guardian and Trustee on June 28, 2019.

### (b) Due from Estates and Trusts Administered and allowance for doubtful accounts:

Due from the Estates and Trusts Administered includes amounts owing from Estates and Trusts administered by the PGT for fees, cost recoveries and short term loans. The PGT maintains an allowance for doubtful accounts that reflects management’s best estimate of uncollectible amounts owing. Amounts deemed uncollectible are charged to client expenditures in the statement of operations in the period in which they are deemed uncollectible. These amounts are collectible on demand and are not interest bearing.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2019

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## 2. Significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Computer hardware and software purchases less than ten thousand dollars are amortized over three years. All remaining assets are amortized over five years.

(d) Revenue recognition:

External recoveries from fees consists of fees paid by clients in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act. Fees are recognized in the period in which the service is provided or at the point in time directed by regulation, court order, co-trustees or beneficiaries. Funding from the Province of British Columbia is recognized as revenue when authorized and eligibility criteria, if any, have been met, unless the funding contains stipulations on how it is to be expended by the PGT, in which case the funding is recorded as deferred revenue. Once the stipulations have been met, the funding is subsequently recognized as revenue.

(e) Employee benefit plans:

All eligible employees participate in a multi-employer defined benefit pension plan. All contributions to this plan are expensed as incurred.

(f) Client expenditures:

Client expenditures represent amounts paid for clients' property management, provision for doubtful accounts on amounts owing from clients, and other miscellaneous expenditures made on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. The only significant areas requiring the use of management estimates are the estimation of the collectability of accounts receivable and the useful life of tangible capital assets. Actual results could differ from these estimates.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2019

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## 2. Significant accounting policies (continued):

(h) Segmented information and expense presentation:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. As the Operating Account's sole activity is the managing of services provided to clients of the PGT, additional segmented disclosure is not required and expenses are presented by category on the statement of operations and accumulated surplus.

## 3. Accumulated surplus:

Spending from external recoveries in excess of the budget approved by the Province of British Columbia is permitted to the extent it does not reduce the Accumulated Surplus carried forward from the previous year. Spending from the Accumulated Surplus requires Treasury Board approval.

## 4. Related party transactions:

The PGT is a corporation sole. All transactions with related parties, including the Province of British Columbia ministries, agencies and Crown corporations occurred in the normal course of operations and are valued at the exchange amount, which reflects fair value unless otherwise disclosed in these notes.

(a) The PGT uses the Province of British Columbia's financial and banking systems to process and record most of its transactions. Transactions related to PGT fees and other amounts collected from clients are processed and recorded first in the PGT's own financial and banking system, and subsequently recorded on a monthly aggregate basis in the Province of British Columbia's systems.

(b) A transfer of \$9,365 (2018 - \$8,909) from a sub-vote of the Ministry of Attorney General has been provided for services to incapable adults, children and youth and for other expenditures of the PGT.

(c) Certain financial and administrative services, post-employment benefits, and office and warehouse facilities are provided centrally by various ministries and agencies of the government of the Province of British Columbia. The costs of these services are not charged to the Operating Account and are, therefore, not included in the statement of operations.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2019

## 4. Related party transactions (continued):

(d) Office and warehouse facilities are provided by Shared Services British Columbia ("SSBC") within the Ministry of Citizens' Services. The cost of buildings occupied by the PGT, including charges from SSBC, and the net building occupancy expense of the PGT is as follows:

	2019	2018
Building costs incurred by SSBC for facilities occupied by the PGT	\$ 2,802	\$ 2,788
Portion not charged to the PGT	(2,776)	(2,572)
Building costs paid by the PGT to SSBC	26	216
Building costs paid by the PGT to unrelated parties	4	21
Building occupancy expense, as reported on the statement of operations	\$ 30	\$ 237

## 5. Due from Estates and Trusts Administered:

	2019	2018
Gross amount due from Estates and Trusts Administered	\$ 5,025	\$ 5,191
Allowance for doubtful accounts	(1,526)	(1,962)
Net amount due from Estates and Trusts Administered	\$ 3,499	\$ 3,229

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2019

## 6. Tangible capital assets:

	2019									
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Accumulated amortization beginning of year	Disposals	Amortization expense	Accumulated amortization end of year	Net book value beginning of year	Net book value end of year
Operating equipment	\$ 21	\$ -	\$ -	\$ 21	\$ (20)	\$ -	\$ (1)	\$ (21)	\$ 1	\$ -
Furniture and equipment	505	59	(15)	549	(464)	15	(21)	(470)	41	79
Personal computer software	111	-	(79)	32	(110)	79	(1)	(32)	1	-
Computer hardware - less than \$10,000	438	17	(229)	226	(427)	229	(11)	(209)	11	17
Server computer software	8,178	-	(993)	7,185	(3,658)	993	(1,161)	(3,826)	4,520	3,359
Computer hardware - greater than \$10,000	428	62	-	490	(214)	-	(74)	(288)	214	202
Tenant improvement	704	-	-	704	(704)	-	-	(704)	-	-
<b>Total</b>	<b>\$ 10,385</b>	<b>\$ 138</b>	<b>\$ (1,316)</b>	<b>\$ 9,207</b>	<b>\$ (5,597)</b>	<b>\$ 1,316</b>	<b>\$ (1,269)</b>	<b>\$ (5,550)</b>	<b>\$ 4,788</b>	<b>\$ 3,657</b>

	2018									
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Accumulated amortization beginning of year	Disposals	Amortization expense	Accumulated amortization end of year	Net book value beginning of year	Net book value end of year
Operating equipment	\$ 21	\$ -	\$ -	\$ 21	\$ (19)	\$ -	\$ (1)	\$ (20)	\$ 2	\$ 1
Furniture and equipment	500	5	-	505	(436)	-	(28)	(464)	64	41
Personal computer software	111	-	-	111	(107)	-	(3)	(110)	4	1
Computer hardware - less than \$10,000	438	-	-	438	(415)	-	(12)	(427)	23	11
Server computer software	3,940	4,238	-	8,178	(2,714)	-	(944)	(3,658)	1,226	4,520
Computer hardware - greater than \$10,000	428	-	-	428	(135)	-	(79)	(214)	293	214
Tenant improvement	704	-	-	704	(704)	-	-	(704)	-	-
<b>Total</b>	<b>\$ 6,142</b>	<b>\$ 4,243</b>	<b>\$ -</b>	<b>\$ 10,385</b>	<b>\$ (4,530)</b>	<b>\$ -</b>	<b>\$ (1,067)</b>	<b>\$ (5,597)</b>	<b>\$ 1,612</b>	<b>\$ 4,788</b>

Cost includes fully amortized assets that are still in use of \$3,248 (2018 - \$4,037).

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2019

---

## 7. Contingent liabilities:

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out its duties. Under Section 21 of the Act, monies required to discharge any liability or claim against the PGT must be paid out of the consolidated revenue fund of the Province of British Columbia.

## 8. Budget figures:

Budget figures have been provided for comparative purposes from the estimates approved by the Legislative Assembly of British Columbia on May 30, 2018.

## 9. Employee benefit plans:

The PGT and all eligible employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The British Columbia Pension Corporation administers the plan, including payments of pension benefits to eligible employees. A board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of assets and administration of benefits.

The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the plan members and will be reflected in their future contributions. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the funding. The last actuarial valuation was as at March 31, 2017, and showed that the Plan was at 108% funded. The next valuation date is to be completed no later than March 31, 2020.

During the year ended March 31, 2019, the PGT contributed \$1,598 (2018 - \$1,578) to the plan. These contributions are included in salaries and benefits expense. No pension liability for this plan is included in the financial statements.

## 10. Fair value:

The fair value of the Operating Account's financial instruments, which include cash, due from Estates and Trusts Administered, other financial assets, and accounts payable and accrued liabilities are not materially different from their carrying value due to their short-term nature.

# ESTATES AND TRUSTS ADMINISTERED

Financial Information of the  
Estates and Trusts Administered by the

## **PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Year ended March 31, 2019



700 – 808 West Hastings Street, Vancouver, BC V6C 3L3 • Phone: (604) 660-4444 • Fax: (604) 660-0374  
[www.trustee.bc.ca](http://www.trustee.bc.ca)

## **MANAGEMENT’S STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS OF ESTATES AND TRUSTS ADMINISTERED BY THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with International Financial Reporting Standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia’s ethical principles and standards of conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial statements and their report follows.

Catherine M. Romanko  
Public Guardian and Trustee

June 28, 2019



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Telephone (604) 691-3000  
Fax (604) 691-3031

## INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

### Opinion

We have audited the financial statements of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia (the PGT), which comprise:

- the statement of net assets as at March 31, 2019
- the statements of income and expense for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets of the Estates and Trusts Administered by the PGT as at March 31, 2019 and its income and expenses, its changes in net assets and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the PGT in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. KPMG Canada provides services to KPMG LLP.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the PGT's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the PGT or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the PGT's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PGT's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PGT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the PGT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
June 28, 2019

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Net Assets of Estates and Trusts Administered  
(Expressed in thousands of dollars)

March 31, 2019, with comparative information for 2018

	Notes	2019	2018
<b>Assets</b>			
Premium Money Market Fund	5	\$ 459,543	\$ 441,613
Balanced Income Fund	6	41,540	39,993
Balanced Growth Fund	7	141,039	127,907
Other investments and securities	8	181,992	173,446
Other financial assets	9	20,713	20,039
Real property	10	228,986	214,395
Other assets		5,348	5,805
		1,079,161	1,023,198
<b>Liabilities</b>			
Accounts payable and accrued liabilities		9,271	6,356
Payable to the Public Guardian and Trustee Operating Account	11	4,803	5,191
Mortgages and loans payable		28,070	31,379
		42,144	42,926
<b>Net Assets of Estates and Trusts Administered</b>		<b>\$ 1,037,017</b>	<b>\$ 980,272</b>

The accompanying notes are an integral part of these financial statements.

Catherine M. Romanko  
Public Guardian and Trustee

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Income and Expenses of Estates and Trusts Administered  
(Expressed in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

	Notes	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Real property	Movement in other assets less liabilities	2019	2018
<b>Income:</b>									
Pensions, benefits and settlements		\$ 111,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,676	\$ 102,580
Interest and dividends		8,774	1,044	3,219	2,522	-	-	15,559	11,515
		120,450	1,044	3,219	2,522	-	-	127,235	114,095
<b>Expenses:</b>									
Client care maintenance	12(a)	66,463	-	-	-	-	2,260	68,723	69,064
Public Guardian and Trustee Fees	12(b)	18,712	316	1,047	-	-	(394)	19,681	20,223
Professional services	12(c)	6,083	40	141	198	-	262	6,724	8,019
Estate settlement	12(d)	2,786	-	-	-	-	156	2,942	4,780
Income taxes paid from Estates and Trusts Administered		3,390	-	-	20	-	2,691	6,101	7,449
		97,434	356	1,188	218	-	4,975	104,171	109,535
Net income before realized and unrealized gains/losses		23,016	688	2,031	2,304	-	(4,975)	23,064	4,560
<b>Realized and unrealized gains/losses:</b>									
Net realized gains (losses) on assets sold or released		-	1,198	5,137	(27,027)	10,945	76	(9,671)	(3,756)
Change in unrealized gains/losses		2,556	98	810	31,697	(1,787)	34	33,408	30,194
		2,556	1,296	5,947	4,670	9,158	110	23,737	26,438
Net income, representing total comprehensive income (loss) - 2019		\$ 25,572	\$ 1,984	\$ 7,978	\$ 6,974	\$ 9,158	\$ (4,865)	\$ 46,801	
Net income, representing total comprehensive income (loss) - 2018		\$ 782	\$ 1,066	\$ 4,782	\$ 13,025	\$ 14,263	\$ (2,920)		\$ 30,998

The accompanying notes are an integral part of these financial statements.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Changes in Net Assets of Estates and Trusts Administered  
(Expressed in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

Notes	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Other financial assets	Real property	Other assets less liabilities	Total
<b>Balance at March 31, 2017</b>	\$ 431,935	\$ 39,917	\$ 113,756	\$ 153,862	\$ 14,071	\$ 212,628	\$ (32,548)	\$ 933,621
Net income (loss) representing comprehensive income (loss) for the year	782	1,066	4,782	13,025	30	14,263	(2,950)	30,998
Other changes in net assets of Estates and Trusts Administered:								
Assets acquired	-	-	-	40,167	32,573	71,095	-	143,835
Assets purchased	(31,336)	3,733	21,455	5,287	-	563	-	(298)
Assets sold or collected	138,685	(4,723)	(12,086)	(22,907)	(25,601)	(64,593)	-	8,775
Assets released to clients, beneficiaries and heirs	-	-	-	(15,988)	(1,034)	(19,561)	-	(36,583)
Cash distributions to clients, beneficiaries and heirs	(96,957)	-	-	-	-	-	-	(96,957)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	13	(1,496)	-	-	-	-	-	(1,496)
Movement in other assets less liabilities	-	-	-	-	-	-	(1,623)	(1,623)
<b>Total changes in net assets of Estates and Trusts Administered</b>	<b>9,678</b>	<b>76</b>	<b>14,151</b>	<b>19,584</b>	<b>5,968</b>	<b>1,767</b>	<b>(4,573)</b>	<b>46,651</b>
<b>Balance at March 31, 2018</b>	<b>441,613</b>	<b>39,993</b>	<b>127,907</b>	<b>173,446</b>	<b>20,039</b>	<b>214,395</b>	<b>(37,121)</b>	<b>980,272</b>
Net income (loss) representing comprehensive income (loss) for the year	25,572	1,984	7,978	6,974	145	9,158	(5,010)	46,801
Other changes in net assets of Estates and Trusts Administered:								
Assets acquired	-	-	-	49,214	30,515	81,562	-	161,291
Assets purchased	(34,596)	6,635	24,998	2,434	-	411	-	(118)
Assets sold or collected	127,667	(7,072)	(19,844)	(24,012)	(26,949)	(48,668)	-	1,122
Assets released to clients, beneficiaries and heirs	-	-	-	(26,064)	(3,037)	(27,872)	-	(56,973)
Cash distributions to clients, beneficiaries and heirs	(98,968)	-	-	-	-	-	-	(98,968)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	13	(1,745)	-	-	-	-	-	(1,745)
Movement in other assets less liabilities	-	-	-	-	-	-	5,335	5,335
<b>Total changes in net assets of Estates and Trusts Administered</b>	<b>17,930</b>	<b>1,547</b>	<b>13,132</b>	<b>8,546</b>	<b>674</b>	<b>14,591</b>	<b>325</b>	<b>56,745</b>
<b>Balance at March 31, 2019</b>	<b>\$ 459,543</b>	<b>\$ 41,540</b>	<b>\$ 141,039</b>	<b>\$ 181,992</b>	<b>\$ 20,713</b>	<b>\$ 228,986</b>	<b>\$ (36,796)</b>	<b>\$1,037,017</b>

The accompanying notes are an integral part of these financial statements.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Cash Flows of Estates and Trusts Administered  
(Expressed in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

	Notes	2019	2018
Cash provided by (used in):			
Operating activities:			
Income:			
Pensions, benefits and settlements		\$ 111,676	\$ 102,580
Interest and dividends		8,774	5,641
Expenses:			
Client care and maintenance		(66,463)	(68,079)
Fees paid to the Public Guardian and Trustee Operating Account		(18,712)	(16,982)
Professional services		(6,083)	(7,517)
Estate Settlement Expenses		(2,786)	(4,747)
Income taxes paid from Estates and Trusts Administered		(3,390)	(7,332)
		23,016	3,564
Investing activities:			
Contributions to Balanced Income Fund		(6,635)	(3,733)
Withdrawals from Balanced Income Fund		7,071	4,723
Contributions to Balanced Growth Fund		(24,998)	(21,455)
Withdrawals from Balanced Growth Fund		19,844	12,086
Contributions to other investments and securities		(2,434)	(5,287)
Withdrawals from other investments and securities		(24,012)	4,263
Purchases of real property		(411)	(563)
Purchases of other assets		(118)	(299)
Net proceeds from sale of assets		97,815	92,013
		66,122	81,748
Financing activities:			
Proceeds from collection of assets		26,949	25,601
Distributions to clients, beneficiaries and heirs		(98,968)	(96,957)
Transfers of unclaimed assets		(1,745)	(1,496)
		(73,764)	(72,852)
Increase in cash and cash equivalents		15,374	12,460
Change in unrealized gain/loss on Premium Money Market Fund	3(b)	2,556	(2,782)
Premium Money Market Fund, representing cash and cash equivalents, beginning of year	3(b)	441,613	431,935
Premium Money Market Fund, representing cash and cash equivalents, end of year		\$ 459,543	\$ 441,613

The accompanying notes are an integral part of these financial statements.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Statements of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2019

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## 1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the “PGT”) operates under the *Public Guardian and Trustee Act* (the “Act”) and other provincial statutes to uphold the legal rights and safeguard the financial interests of adults who are not capable of managing their own affairs, deceased persons’ estates which have no other person willing and able to act for them, estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates.

The PGT’s principal office is located at 700 - 808 West Hastings Street, Vancouver, British Columbia V6C 3L3.

These financial statements reflect the net assets held in trust and activity for the estates and trusts administered by the PGT. Separate financial statements have been prepared for the PGT Operating Account, which report the recoveries from fees, funding from the Province of British Columbia, and the operating and capital expenses of the PGT.

## 2. Basis of preparation:

### (a) Statement of compliance:

These financial statements have been prepared in accordance with the principles of International Financial Reporting Standards (“IFRS”).

These financial statements meet the requirements of Section 25 of the Act.

These financial statements have been authorized for issue by the Public Guardian and Trustee on June 28, 2019.

### (b) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the Premium Money Market Fund, Balanced Income Fund, Balanced Growth Fund, other investments and securities and real property, which are carried at fair value.

### (c) Functional and presentational currency:

The financial statements are presented in Canadian dollars, which is the functional currency for the PGT.

### (d) Use of estimates and judgments:

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual values ultimately realized may differ from these estimates and are recognized in the period in which the estimates are revised and in any future periods affected.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Statements of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2019

---

### 3. Summary of significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Recognition and measurement of assets and liabilities:

On initial recognition, assets and liabilities are recorded at fair value on the effective date the PGT commences administration of the asset or liability, which is the date of death for estate administration, the date of PGT appointment for trust administration or the date that the estate or trust assumed beneficial ownership for assets and liabilities acquired after PGT appointment.

The Premium Money Market Fund ("PMMF"), Balanced Income Fund ("BIF"), Balanced Growth Fund ("BGF") and other investments and securities are carried at fair value as determined from valuation data provided by investment service providers.

Amounts receivable included in other financial assets are carried at amortized cost.

Other assets include jewelry, collectibles, intangibles, vehicles and effects and are carried at cost, which represents the estimated fair value of the asset on the effective date that the PGT commenced administration of the asset.

All financial liabilities are carried at amortized cost.

(b) Cash and cash equivalents:

Cash and cash equivalents is represented by the PMMF, which is used for day-to-day receipts and disbursements for all clients. Investments held by the PMMF are highly liquid and may be easily drawn upon by the PGT in administering the estates and trusts. Cash held in individual external client bank accounts, included in other financial assets (note 9), is not classified as cash and cash equivalents.

(c) Measurement of real property:

IFRS requires that, in the absence of an IFRS that can be specifically applied to a situation, management should use judgment in developing and applying an accounting policy to provide relevant, reliable and prudent information. In these instances, it is suggested that IFRS requirements in dealing with similar issues are applied, as well as measurement concepts included within the IFRS Framework.

Real property included within the statement of net assets primarily represents the value of residential properties, currently occupied by the clients of the PGT. This property does not meet the definition of property, plant and equipment, nor investment property, although the acceptable measurement bases for such assets include both cost and fair value.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Statements of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2019

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### 3. Summary of significant accounting policies (continued):

(c) Measurement of real property (continued):

Accordingly, real property is carried at fair value in the statement of net assets as determined by professional appraisals or, where an appraisal is not available or is not current, as determined from the most recent British Columbia Assessment Authority property assessment or other relevant valuation data.

(d) Revenue recognition:

Income from pensions, benefits and settlements, as well as interest and dividends is recognized on an accrual basis.

Gains and losses on assets represent the appreciation or depreciation in the value of assets administered by the PGT from the value assigned on the date of appointment of the client (if acquired on appointment) or date of purchase (if purchased for clients after appointment). Such gains and losses become realized on the date the assets are sold or released to clients, beneficiaries and heirs. Both realized gains/losses and changes in unrealized gains/losses are reported in the statement of income and expenses.

### 4. Financial risk management:

As a fiduciary, the PGT is responsible for managing the assets owned by each estate and trust under its authority. The PGT must exercise the care, skill, diligence and judgment of a prudent investor for its clients.

Under Section 12 of the Act, the PGT is permitted to create common funds within the trust fund account. The PGT has established three common funds called the PMMF, the BIF and the BGF. The PMMF holds short and medium term fixed income investments and is used for day to day receipts and disbursements of all clients. The BIF and the BGF hold investments which are appropriate for clients with longer term investment horizons.

Under Section 13(1) of the Act, the PGT is permitted to make separate investments for clients if the money is subject to an express trust or direction for investment or it is, for any other reason, in the best interests of the client to do so. Other investments and securities include separate investment portfolios and registered plans which are established or maintained for clients according to their investment profile.

The three common funds are managed by British Columbia Investment Management Corporation ("BCI"). Other investments are managed by private investment management firms.

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#### 4. Financial risk management (continued):

The PGT maintains a risk management practice that includes quarterly monitoring of the returns and investment strategy of the three common funds and annual monitoring for other client investment portfolios. PGT corporate investment policies assign the investment asset mix strategies for client trusts based on the PGT's assessment of appropriate investment strategy for the client.

Four investment portfolio asset mix models are used and client investment portfolios are allocated amongst the three common funds as follows:

<b>Asset Mix</b>	<b>Fixed Income</b>	<b>Equity</b>	<b>Investment portfolio allocation</b>
Model A	40%	60%	Balanced Growth Fund
Model B	60%	40%	Balanced Income Fund
Model C	80%	20%	Blend of Balanced Income Fund and Premium Money Market Fund
Model D	100%	nil	Premium Money Market Fund

Assets in "other investments and securities" represent individual client accounts and each is managed in accordance with the above target asset mix policies.

PGT client investments are exposed to a variety of financial risks: credit risk, liquidity risk, and market risk (comprised of interest rate risk, currency risk and other price risk). The fair value of investments can fluctuate on a daily basis as a result of these risk exposures.

##### *Credit risk:*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss. The investment policy established by the PGT limits credit risk by limiting the maximum exposure to one single issuer and by investing only in debt securities from governments and corporations with a minimum rating of at least "BBB" or "R-1" as defined by Moody's, Standard & Poor's or Dominion Bond Rating Service. The funds' compliance with policy asset mix and investment guidelines is reviewed quarterly by management and the PGT Investment Advisory Committee.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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## 4. Financial risk management (continued):

### *Liquidity risk:*

Liquidity risk is the risk that a client account is unable to meet its financial obligations as they come due. PGT minimizes this risk by ensuring that client accounts hold sufficient cash funds to meet current liabilities and expenses and considers liquidity risk at March 31, 2019 and March 31, 2018 to be insignificant.

### *Interest rate risk:*

Interest rate risk is the risk that the fair value or cash flows of interest bearing investments will fluctuate due to changes in market interest rates. Interest rate risk is managed by PGT through established asset mix policies.

### *Currency risk:*

Currency risk is the risk that the fair value of investments will change due to changes in foreign exchange rates. Currency risk is managed by PGT through established asset mix policies.

### *Other price risk:*

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risk is managed by PGT through established asset mix policies.

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### 5. Premium Money Market Fund:

The target asset mix for the PMMF is 50% (2018 - 35%) fixed income securities which are issued, insured or guaranteed by the Government of Canada, a provincial or municipal or territorial government with a maximum term to maturity of 5 years and 50% (2018 - 65%) government and corporate money market securities with a maximum term to maturity of 15 months.

The investment policy statement for the PMMF requires that fixed income and money market securities held must meet certain credit quality ratings. Specifically, fixed income investments must be investment grade and have a minimum credit rating of "BBB- "or better by Standard & Poor's, or an equivalent rating by another major recognized rating agency and Corporate short term debt securities, and non-Canadian short term debt securities, must be rated "A-1 (Low)" or better by Standard & Poor's or have an equivalent rating from another credit rating agency.

*Credit risk:*

The amount recorded for the PMMF on the statement of net assets held in trust represents the maximum credit risk associated with the PMMF. The PMMF is currently comprised of cash and debt instruments with credit ratings as follows:

	2019		2018	
	Amount	%	Amount	%
Segregated bonds:				
AAA	\$ 60,509	13	\$ 28,976	7
AA	93,020	21	65,313	14
A	88,958	19	29,818	7
	242,487	53	124,107	28
Money market:				
A-1 (low) or better	240,335	52	318,779	72
Cash (overdraft)	(23,278)	(5)	(1,273)	-
	\$ 459,543	100	\$ 441,613	100

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### 5. Premium Money Market Fund (continued):

*Interest rate risk:*

Debt instruments held within the PMMF mature on the following basis:

	2019	2018
Cash (overdraft)	\$ (23,278)	\$ (1,273)
Debt instruments:		
Less than one year	287,961	355,091
One to three years	118,046	87,795
Three years to five years	76,814	-
	<u>\$ 459,543</u>	<u>\$ 441,613</u>

As at March 31, 2019, if interest rates were to increase or decrease by 1%, with other variables held constant, the fair value of the PMMF, and accordingly, net assets, would have increased or decreased, respectively, by approximately \$6.6 million (2018 - \$5.4 million).

*Currency risk:*

As at March 31, 2019 and 2018, the PMMF is not exposed to currency risk as all PMMF securities are denominated in Canadian dollars.

*Other price risk:*

As at March 31, 2019 and 2018, the PMMF is not exposed to other price risk as all PMMF securities are fixed income instruments.

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### 6. **Balanced Income Fund:**

The BIF is a unitized fund of funds pool of investments. The investment objective is to enhance returns for investors with a low to moderate level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 60% fixed income securities, rated “BBB” or better for bonds or “A-1 (low)” or better for money market securities, and 40% domestic and international equities, invested through indexed pooled funds.

#### *Credit risk:*

The BIF’s maximum exposure to credit risk as at March 31, 2019 is \$25.2 million (2018 - \$24.2 million), representing the amount of debt instruments within the BIF at March 31, 2019. The BIF’s investment policy guidelines require that debt instruments are rated BBB or A-1 (low) or better and have a duration that is within 20% of the FTSE TMX Canada Universe Bond Index.

#### *Interest rate risk:*

The BIF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2019, if interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BIF, and accordingly net assets, would have increased or decreased, respectively, by approximately \$1.3 million (2018 - \$1.3 million).

#### *Currency risk:*

The BIF’s maximum exposure to currency risk at March 31, 2019 is \$11.4 million (2018 - \$10.8 million), representing the amount of international equity investments within the BIF at March 31, 2019, of which \$7.4 million (2018 - \$6.7 million), is exposed to US dollars and \$4.0 million (2018 - \$4.1 million) is exposed to other international currencies.

As at March 31, 2019, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have decreased or increased, respectively, by approximately \$0.2 million (2018 - \$0.2 million).

#### *Other price risk:*

The BIF’s maximum exposure to other price risk as at March 31, 2019 is \$16.3 million (2018 - \$15.8 million), representing the amount of equity instruments within the BIF at March 31, 2019. As the BIF uses an indexed pooled and portfolio strategy, the BIF’s net asset values will vary based on changes in the related market index benchmarks. The impact on the BIF due to a 10% change in benchmark, using historical correlation between the return of the BIF units as compared to the BIF’s benchmark, as at March 31, 2019, with all other variables held constant, would be an increase or decrease to the fair value of the BIF, and accordingly net assets, of \$1.7 million (2018 - \$1.6 million).

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## 7. **Balanced Growth Fund:**

The BGF is a unitized fund of funds pool of investments. The investment objective is to enhance long-term returns for investors with a moderate to high level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 40% fixed income securities, rated “BBB” or better for bonds or “A-1 (low)” or better for money market securities and 60% domestic and international equities, invested through indexed pooled funds.

### *Credit risk:*

The BGF's maximum exposure to credit risk as at March 31, 2019 is \$56.6 million (2018 - \$52.1 million), representing the amount of debt instruments within the BGF at March 31, 2019. The BGF's investment policy guidelines require that debt instruments are rated BBB or A-1 (low) or better and have a duration that is within 20% of the FTSE TMX Canada Universe Bond Index.

### *Interest rate risk:*

The BGF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2019, if the interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have increased or decreased by approximately \$3.9 million (2018 - \$3.4 million).

### *Currency risk:*

The BGF's maximum exposure to currency risk at March 31, 2019 is \$56.5 million (2018 - \$48.9 million), representing the amount of international equity investments within the BGF at March 31, 2019, of which \$36.7 million (2018 - \$30.2 million) is exposed to US dollars and \$19.8 million (2018 - \$18.7 million) is exposed to other international currencies.

As at March 31, 2019, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have decreased or increased, respectively, by approximately \$1.1 million (2018 - \$1.0 million).

### *Other price risk:*

The BGF's maximum exposure to other price risk as at March 31, 2019 is \$84.4 million (2018 - \$75.8 million), representing the amount of equity instruments within the BGF at March 31, 2019. As the BGF uses an indexed pooled fund portfolio strategy, the BGF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BGF due to a 10% change in benchmark, using historical correlation between the return of the BGF units as compared to the BGF's benchmark, as at March 31, 2019, with all other variables held constant, would be an increase or decrease to the fair value of the BGF, and accordingly net assets, of \$8.5 million (2018 - \$7.7 million).

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### 8. Other investments and securities:

Other investments and securities are comprised of the following:

	2019	2018
Investment portfolios	\$ 74,522	\$ 74,292
Registered plans	70,714	62,153
Other	36,756	37,001
	\$ 181,992	\$ 173,446

The balance of other investments and securities is comprised of numerous individual client accounts, each managed in accordance with specific target asset mix policies. Each individual client account is exposed to credit, interest rate, currency and other price risks based on individual asset mix and holdings. In management's opinion, aggregation and presentation of these individual risk exposures and fair value hierarchy measurements (note 14) would not provide additional meaningful information.

### 9. Other financial assets:

Other financial assets are comprised of the following:

	2019	2018
Cash in external client bank accounts	\$ 10,780	\$ 11,682
Amounts receivable	9,933	8,357
	\$ 20,713	\$ 20,039

External client bank accounts are bank accounts in the name of individual clients that were held at the time that the PGT commenced administration of the assets and that remain open as at the financial reporting date. The collection of cash from these external client bank accounts to the PMMF is classified as proceeds from collection of assets on the statement of cash flows.

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## 10. Real property:

Real property includes land, buildings and manufactured homes. As at March 31, 2019, approximately 98.97% (2018 - 98.60%) of the fair value of real properties represents properties located in British Columbia.

## 11. Payable to the Public Guardian and Trustee Operating Account:

The payable to the PGT Operating Account is comprised of amounts charged but not yet collected for PGT fees (note 12(b)) and short term loans advanced by the PGT. These amounts are payable on demand and are not interest bearing.

## 12. Expenses:

### (a) Client care and maintenance:

Client care and maintenance represents goods and services purchased for clients and for personal living expenses, including payments to care facilities.

### (b) Public Guardian and Trustee Fees:

PGT fees are charged to Estates and Trusts Administered, for services provided by the PGT, in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act. In addition, the PGT recovers costs incurred in delivering certain services as provided for under the Act.

The expense for PGT fees includes commissions, asset management fees, administration fees, heir tracing fees, cost recoveries and applicable sales tax. Most of the applicable fees are calculated, charged, and collected automatically by the trust accounting system. PGT fees applicable to the BIF and BGF are charged directly to, and collected from, these pooled funds.

### (c) Professional services:

Professional fees are expenses incurred on behalf of clients for services such as accounting, legal, investment management, custodial, funeral and property management.

### (d) Estate settlement:

Estate settlement represents expenses incurred to settle estates for deceased and missing persons such as probate fees, asset disposition fees and claims against the estates.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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### 13. Unclaimed assets transferred to the British Columbia Unclaimed Property Society:

Unclaimed assets are transferred periodically to the British Columbia Unclaimed Property Society when they are deemed inactive by the PGT under Section 27.1 of the Act.

### 14. Fair values:

The PMMF, BIF, BGF, other investments and securities and real property are reflected in the statement of net assets at fair value. In management's opinion, the fair values of other financial assets and accounts payable, mortgages and loans payable, and amounts payable to the PGT Operating Account are not materially different from the carrying value.

#### *Fair Value Hierarchy:*

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are unobservable: there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

As at March 31, 2019 and 2018, the PMMF investments were fair valued using Level 1 inputs, based on the daily closing net asset value of the underlying fund.

As at March 31, 2019 and 2018, the BIF and BGF investments were fair valued using Level 2 inputs, based on the respective net asset value of each of the underlying funds.

As at March 31, 2019 and 2018, Real Property was fair valued using Level 2 inputs, based on the most recent appraisal carried out by a qualified independent appraiser contracted by the PGT.

Fair value information has not been provided for other investments and securities as management believes it would not provide additional meaningful information. The fair values of other financial assets and liabilities, which are carried at amortized cost in the financial statements, are also based on Level 2 inputs as while price quotations are available, the instruments are not traded in an active market. For each of the years ended March 31, 2019, and 2018, there were no significant transfers between the levels in the hierarchy.





PUBLIC GUARDIAN  
AND TRUSTEE OF  
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