



# 2008

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# ANNUAL REPORT

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# 2009



PUBLIC GUARDIAN  
AND TRUSTEE OF  
BRITISH COLUMBIA

# OUR MISSION

The PGT mission is to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

# OUR VALUES

Seven major values underpin PGT work and are reflected in all aspects of its performance:

1. *Integrity:* As a fiduciary, the PGT and staff act in accordance with the highest ethical, legal and personal standards.
2. *Client-centred service:* Clients are the focus of PGT services and PGT staff constantly strive to provide quality customer service.
3. *Openness:* Annual statutory public reporting on all aspects of PGT performance ensures accountability and transparency to clients, government and the public.
4. *Respect:* We treat clients, family and friends in a courteous, respectful manner.
5. *Teamwork:* PGT staff work with one another and with service partners in striving for seamless service delivery.
6. *Staff support:* Staff members are acknowledged to be the greatest resource of the PGT and are recognized and appreciated for their expertise and professionalism.
7. *Innovation:* PGT staff are encouraged to be alert to new and better ways of delivering service and helping clients.

RIGHTS, CHOICES AND SECURITY FOR ALL BRITISH COLUMBIANS



## TRANSMITTAL TO THE ATTORNEY GENERAL

September 25, 2009

The Honourable Mike de Jong  
Attorney General  
Parliament Buildings  
Victoria, British Columbia  
V8V 1X4

Dear Attorney General:

Pursuant to section 25 of the *Public Guardian and Trustee Act*, I have the honour of presenting the Annual Report of the Public Guardian and Trustee of British Columbia.

This report covers the period April 1, 2008 to March 31, 2009.

Regards,

Original signed by Jay Chalke

Jay Chalke, Q.C.  
Public Guardian and Trustee



## MESSAGE FROM THE PUBLIC GUARDIAN AND TRUSTEE

I am pleased to report on achievements of the Public Guardian and Trustee of British Columbia (PGT) during 2008/2009. It has been a year in which continuing to provide services in the context of increased demand has been combined with implementing enhanced financial controls, preparing to respond to proclamation of new legislation and maintaining a focus on managing expenditures.

Demographic shifts continue to drive increased demand for PGT services, notably seniors experiencing Alzheimer's and other diseases of aging. Persons aged 85 years and over are at greatest risk of these diseases and BC Stats has forecast a 138% increase in this population by 2020. The international economic downturn has placed additional strain on families whose financial circumstances may already have been fragile. This can increase potential for financial abuse where one of the family members is vulnerable or incapable. An increase of 41% over the previous year in the number of instances in which the PGT had to take immediate action to protect financial assets at significant risk is cause for concern.

It is now almost ten years since the province partially proclaimed a package of legislation designed to modernize the legal framework for supporting vulnerable and incapable adults who require protection and assistance with decision making. The partial proclamation left the *Patients Property Act* in place. That law will be repealed and replaced with the coming into force of Part 1 of the *Adult Guardianship and Planning Statutes Amendment Act, 2007*.

During this past year, PGT adult services focused on securing consensus with health and other involved sectors, developing policies and otherwise taking steps to be prepared to implement this legislation. While proclamation has now been deferred because of the economic downturn, I encourage the government to proceed with proclamation at the earliest possible moment to replace the *Patients Property Act*. This change is long overdue.

PGT clients have already been impacted by restructuring of the health and social services sectors over the past several years. Now, budget and



resourcing concerns have required those sectors to define and focus on their core functions even more tightly, resulting in further pressure on the PGT.

PGT services to children and youth were another major focus during the past year with considerable attention focused on our work as Guardian of Estate for children in continuing care of the province. Improved information sharing from the Ministry of Children and Family Development, including electronic reporting to the PGT of critical incident reports, has allowed us to respond to the needs of children for whom we are guardian in a more timely manner. In June 2009, we issued our first annual report on PGT child and youth guardianship services.

PGT estate and personal trust services had another positive year of identifying and distributing assets to heirs and beneficiaries of the estates of deceased persons. Over the past five years, we have distributed \$87 million to heirs and beneficiaries.

A primary focus of PGT activities this past year has been the review and enhancement of our financial controls. As of March 31, 2009, we administered \$789 million in client assets and our overriding fiduciary duty requires that we take steps to remain current in protecting these assets. An independent forensic audit and subsequent diagnostic and remediation reviews have identified areas requiring strengthening and we have moved quickly to implement associated recommendations. The redirection of resources to implement these improvements has created resource pressures in other PGT services which now must be addressed.

While this is a challenging period for our staff, our clients and service partners, we remain mindful of our continuing pledge to strive to achieve our vision of "*Rights, choices and security for all British Columbians.*"

Original signed by Jay Chalke

Jay Chalke, Q.C.  
Public Guardian and Trustee



## SPECIAL ACTIVITIES IN 2008/2009

The Public Guardian and Trustee (PGT) focus is on serving clients by carrying out statutory duties. This requires undertaking a range of activities to respond to new legal requirements, changes in technology, service partner needs, evolving security standards, demographic change, increased demand for services, enhanced accountability standards and cost pressures. In 2008/09, the PGT participated in the following special activities:

### DIRECT SERVICE

- Implemented a new client insurance program that will provide expanded service at lower costs to clients.
- Implemented an expanded risk management framework and processes for reviewing accounts of Private Committees to provide more effective and efficient service.
- PGT Interior/North Regional Office won a Premier's Award for facilitating a protocol agreement with Indian and Northern Affairs Canada to provide seamless transition for transfer of Aboriginal/First Nations PGT clients between federal and provincial agencies.
- Improved notification process whereby the entertainment industry transfers child entertainment earnings to the PGT.
- Made significant progress with the Ministry of Children and Family Development (MCFD) in improving communications and processes related to co-guardianship of children in continuing care including annual reviews, initial notification, critical incident reports, requests for information and adoptions.
- Selected a single tax services provider for all clients resulting in cost savings for clients and increased efficiency.

- Continued to represent the interests of PGT clients in various class proceedings including the Serzone, Woodlands School and tainted blood class actions.
- Distributed \$20,855,679 in funds of deceased estates to heirs and beneficiaries.
- Updated business processes for notices under section 7 of the *Limitation Act* that trigger the running of time on a limitation period on civil actions involving minors.
- Traced heirs and beneficiaries throughout Canada and other countries.
- Initiated planning of a pilot project to open a satellite office to provide community outreach to PGT child and youth clients.
- Filed 315 Probate Applications with the Supreme Court of BC.

### SERVICE PARTNERS

- Led consultations with the Colleges of Nursing, Social Work, Psychology and Occupational Therapy regarding their being identified in the draft regulations under the proposed new part of the *Adult Guardianship Act* as professions eligible to carry out capacity assessments, under a modernized guardianship scheme.
- Facilitated the Incapability Assessment Working Group in developing proposed Regulations and Practice Guidelines for both Court and Certificate processes for

- assessing incapability and appointing guardians under the passed but not yet proclaimed adult guardianship legislation.
- Supported Community Living BC's (CLBC) role under Part 3 of the *Adult Guardianship Act* including participating in CLBC staff training, an information session on CLBC related health care decision making and teleconferences with CLBC on varied topics.
- Provided input to the BC government review of CLBC (Greenwood Review).
- Liaised with MCFD and the Insurance Corporation of British Columbia (ICBC) to develop information sharing agreements and protocols to better serve the interests of mutual clients.
- Established a cross divisional Aboriginal/First Nations Working Group to ensure a consistent PGT approach to Aboriginal/First Nations communities.
- Organized a consultation with immigrant serving organizations to determine their perspective on the most significant challenges for immigrants who are at risk of, or who are experiencing, adult abuse/neglect.
- Authored the 4th Edition of the *Public Guardian and Trustee Handbook*, a publication of the Continuing Legal Education Society of British Columbia



(CLEBC) directed at providing information to the legal profession about legal matters within the PGT's jurisdiction, including points of practice and procedure.

- Issued a bulletin through MCFD to all MCFD guardianship workers and to directors of Delegated Aboriginal Agencies regarding the class action settlement associated with Hepatitis C, HIV or Jakob Creutzfeldt Disease from tainted blood products and the need and mechanisms to advise PGT of children who have contracted this disease themselves or whose family members have contracted it.
- Hosted and facilitated a forum regarding building capacity to address and prevent financial abuse associated with Indian Residential School Settlements and involving local, regional, provincial, national and Aboriginal resources.
- Contributed to public legal education by speaking at the UBC Law School and the Vancouver Wills and Trusts section of the Canadian Bar Association, various personal injury and elder law courses presented by CLEBC, courses sponsored by the Trial Lawyers Association of British Columbia and presenting to ICBC adjusters around the province managing infant settlements.
- Liaised with VictimLINK, the BC 24 hour a day phone line for victims, to help ensure understanding of the BC Abuse/Neglect legislation.

### CAPACITY BUILDING

- Implemented a new version of CASE, the PGT case management software, resulting in enhanced client information and several improvements for PGT client service.
- Undertook extensive consultations, policy development and other activity to prepare for anticipated implementation of new adult guardianship and health care facility legislation (Bills 26 and 29).
- Continued to develop the data collection system for critical incident reports received from MCFD.
- Developed a Business Continuity Program to maintain PGT services in the event of a natural disaster.
- Completed renovations in the PGT warehouse to provide an enhanced storage facility for client effects.
- Commissioned and received an academic literature review of incapability screening and assessment tools.
- Restructured the Child and Youth Services division and completed staffing related to implementation funding from the 2006 *BC Child and Youth Review*.

### INTERNAL CONTROLS

- Undertook extensive revision and upgrading of internal controls.
- Retained Deloitte and Touche to commence an information technology general controls review and an information technology security review.

- Upgraded cheque writing software and began producing imageable MICR-encoded cheques in full compliance with new standards set by the Canadian Payments Association.

### INTERPROVINCIAL

- Participated on various working committees of the National Association of Public Trustees and Guardians to address issues affecting the interests of PGT clients in British Columbia and across the country.
- Continued to work with the Canadian Banking Association, chartered banks and the National Association of Public Trustees and Guardians on facilitating response to suspected financial abuse of seniors.

### REGISTERED DISABILITY SAVINGS PLANS

- Implemented the new federal Registered Disabilities Savings Plan (RDSP) in a timely manner so clients benefitted from 2008 RDSP funding.
- Established 416 new RDSPs for adult clients and made 177 client contributions totalling \$262,000 so that clients will receive grants of \$529,000 as well as over \$326,000 in bonds.
- Opened 269 RDSPs for PGT child and youth guardianship clients so that they will be eligible to receive \$269,000 in bonds.
- Worked with MCFD to develop processes to implement new RDSPs for children in continuing care.



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# 2008/2009 PERFORMANCE REPORT





## ACCOUNTABILITY STATEMENT

The 2008/2009 Annual Report was prepared under my direction. I am accountable for the results achieved, the selection of performance measures, and how actual performance has been reported. The information presented reflects the actual performance of the Public Guardian and Trustee for the twelve months ended March 31, 2009. The report addresses all significant events that occurred, and decisions made, up to September 18, 2009.

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 judgement of management.

The measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding our performance. I am responsible for the design and operation of internal controls to ensure performance information is measured accurately and in a timely manner. Any significant limitations in the reliability of specific data are identified in the report.

As such, it is intended for a general audience. Specific users may require more detailed information than is contained in this report. The report has been prepared in accordance with the *Public Guardian and Trustee Act* and British Columbia Performance Reporting Principles.

Original signed by Jay Chalke

Jay Chalke, Q.C.

Public Guardian and Trustee

September 18, 2009



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## Auditor's Report

To:

**The Public Guardian and Trustee of British Columbia,**

**The Attorney General, Province of British Columbia, and**

**The Members of the Legislative Assembly of British Columbia**

We have audited the accompanying 2008/2009 Performance Report (Performance Report) of the Public Guardian and Trustee of British Columbia (PGT) for the year ended March 31, 2009 based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) 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) endorsed by the Government of British Columbia, the Legislative Assembly's Select Standing Committee on Public Accounts, and the Auditor General of British Columbia in 2003 for use by public sector organizations in the Province of British Columbia. The Performance Report and its fair presentation in conformance with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles are the responsibility of the PGT. Our responsibility is to express an opinion, based on our audit, on the fair presentation of the Performance Report in conformance with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles.

We conducted our audit in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the Performance Report is fairly presented in conformance, in all material respects, with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report, evaluating the fair presentation of the Performance Report in conformance with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles, and performing such other procedures as we considered necessary in the circumstances.

The Performance Report 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. Such representations are the opinions of the PGT, and inherently cannot be subject to independent verification. Further, as described in Section E of the Performance Report, the tables and related information in Section E 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 in Section E of the Performance Report, our audit was limited to providing reasonable assurance that the Performance Report is consistent with the audited financial statements contained in the PGT's 2008/2009 Annual Report.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we independently verified the representations described in the paragraph above and had we performed a more extensive examination of the tables and related information in Section E of the Performance Report as referred to in the paragraph above, the PGT's Performance Report for the year ended March 31, 2009 is fairly stated in conformance, in all material respects, with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles.

The attached Appendix to this report provides further explanation regarding the fair presentation of the Performance Report in conformance with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles.

Original signed by KPMG LLP

Chartered Accountants

Vancouver, Canada

September 18, 2009



## Appendix to the Auditor's Report on the 2008/2009 Performance Report of the Public Guardian and Trustee of British Columbia

This Appendix summarizes and explains selected key aspects of how the Performance Report is fairly presented in conformance, in all material respects with the requirements of subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles.

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

The Performance Report identifies and explains the PGT's mandate, enabling legislation, mission, vision, 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. The Performance Report describes the PGT's seven major values and how they guide and are embedded in the PGT's operations.

### **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 its mission, the goals it has identified in support of its mission 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, 2008 – March 31, 2011 Service Delivery Plan identifies the PGT's five goals related to the three aspects of its mission, two to five specific objectives related to each goal, and related specific

performance measures. Except for three performance measures that were discontinued during the year – the reasons for which are explained in the Performance Report – the Performance Report repeats this information from the Service Delivery Plan in a format that more directly links each performance measure with the related objective, and further 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.

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

The Performance Report summarizes management's view of key risks faced by the PGT, their potential impact, and the organization's strategies for dealing with them. 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, expenditures, 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, 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.

#### **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, 2009 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 auditor's report is provided as required by

section 26 (1) (b) of the *PGT Act*. Subject to the limitations described in our auditor's report, our opinion relates to the credibility of the information in the Performance Report, including its fair presentation in conformance, in all material respects, with subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles based on the best judgement of the PGT.

#### **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 on. 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 his accountability for the Performance Report, and representing (among other things) that: the Performance Report has been prepared in accordance with the *PGT Act* and the BC Performance Reporting Principles; that it contains estimates and significant interpretive information that represents the best judgement of management; that the measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding the organization's performance; and that it reflects the actual performance of the PGT for the twelve months ended March 31, 2009.



## Public Guardian and Trustee of British Columbia 2008/2009 Performance Report

### A. MANDATE, MISSION, VISION AND VALUES

#### 1. Mandate

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

Its mandate is to serve:

- Children and youth under the age of 19 by protecting their legal and financial interests;
- Adults who require assistance in decision making through protection of their legal rights, financial interests, personal and health care interests; and
- Deceased persons where there is no one willing or able to administer their estates, the estates of missing persons, and the beneficiaries of personal trusts.

The current Public Guardian and Trustee is Jay Chalke, Q.C., who was reappointed by the Lieutenant Governor in Council to a six-year term effective February 28, 2006. The PGT can serve a maximum of two terms.

In 2008/09, the PGT provided services through 234 employee positions to approximately 33,000 clients and administered approximately \$789 million of trust assets. When managing the financial affairs of an individual, estate or trust, the PGT observes prudent business practices and is bound by both common law and statutory fiduciary principles associated with a Trustee or Agent.

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, adults with legal disabilities or estates are at risk.

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

#### 2. Mission

The PGT mission is to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making and administer the estates of deceased and missing persons.

#### 3. Vision

The PGT vision is “Rights, choices and security for all British Columbians”.

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 may delegate authority and 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.



The powers and duties of the PGT are directed by numerous acts. Key provincial statutes include:

- *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 Relations Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Vehicle) Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trustee Act*
- *Trust and Settlement Variation Act*
- *Wills Variation Act*



## 4. Values

- 1) Integrity: As a fiduciary, the PGT and staff act in accordance with the highest ethical, legal and personal standards.
- 2) Client-centred service: Clients are the focus of PGT services and PGT staff constantly strive to provide quality customer service.
- 3) Openness: Annual statutory public reporting on all aspects of PGT performance ensures accountability and transparency to clients, government and the public.
- 4) Respect: We treat clients, family and friends in a courteous, respectful manner.
- 5) Teamwork: PGT staff work with one another and with service partners in striving for seamless service delivery.
- 6) Staff support: Staff members are acknowledged to be the greatest resource of the PGT and are recognized and appreciated for their expertise and professionalism.
- 7) Innovation: PGT staff are encouraged to be alert to new and better ways of delivering service and helping clients.

PGT values are periodically reviewed to ensure clarity. In 2008/09, the Executive Committee approved the revised values shown above. These revisions included adding the important value of integrity which had previously been inferred as an overarching value.

## B. ACCOUNTABILITY FRAMEWORK

The PGT is accountable to the government, the Legislature, the public and directly to PGT clients. Overall accountability is exercised through the government review and approval of the PGT service delivery plan, public reporting on performance, and through annual independent performance and financial audits. Accountability to clients is exercised through internal review processes, the Ombudsman and judicial oversight of PGT statutory and fiduciary obligations.

### 1. Prospective Performance Planning

Section 22 of the *Public Guardian and Trustee Act* requires the PGT to prepare an annual three year Service Delivery Plan (SDP) and deliver it to the Attorney General not later than December 31st. If approved by the Attorney General, the plan must be submitted to the provincial Treasury Board for approval. The Act specifies content of the SDP.

### 2. Retrospective Performance Reporting

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 office for the preceding fiscal year. This annual report must be provided to the Attorney General by September 30th and thereafter tabled in the Legislative Assembly. The Act stipulates that the annual report must include an audited performance report relating to

the performance targets and other objectives established in the SDP and audited financial statements on both the operations of the PGT and the stewardship of estates and trusts under administration.

The statutory requirement for annual independent audits of both the PGT performance report and the two PGT financial statements is unique among BC public bodies.

## 3. Judicial Oversight

All PGT services are mandated by statute and the PGT is accountable to clients and ultimately to the court for actions taken on behalf of clients. Many PGT functions are fiduciary in nature and judicial oversight mechanisms are highly developed.

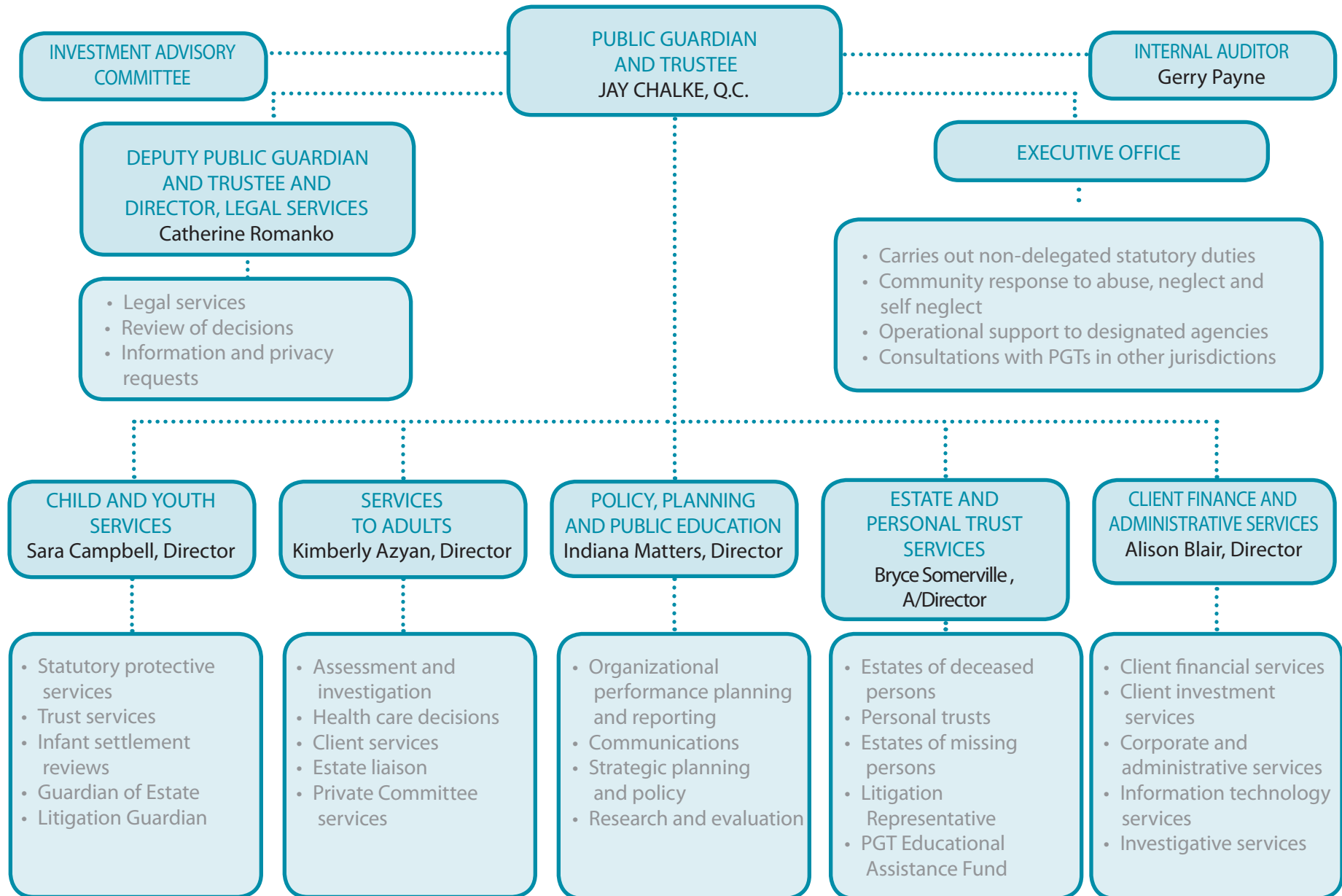
## C. PROGRAM AREAS

The PGT provides services to clients through three broad operational 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; and Policy, Planning and Public Education.

The Executive Office provides overall direction, coordination, consultation with Public Guardians and Trustees in other jurisdictions, coordination of Adult Guardianship and Community Development and non-delegated statutory duties such as approval of infant settlement reviews, the most serious substitute health care decisions and major trust disbursements.



## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA ORGANIZATIONAL CHART (as at March 31, 2009)







PGT Primary Client Groups	Key PGT External Relationships	Key PGT Private Sector Relationships
<p>Almost all PGT clients are identified in BC's Great Goal Number Three: <i>Build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors.</i></p> <ul style="list-style-type: none"> <li>• Children in continuing care of the province or without legal guardians.</li> <li>• Seniors who require assistance with decision making.</li> <li>• Adults with developmental disabilities.</li> <li>• Adults experiencing abuse, neglect or self neglect.</li> <li>• Children with trust funds.</li> <li>• Children who have no litigation guardian.</li> <li>• Adults with acquired brain injuries.</li> <li>• Heirs and beneficiaries of estates of deceased and missing persons.</li> <li>• Beneficiaries of personal trusts.</li> <li>• Children whose guardians wish to settle a claim for damages on behalf of the child.</li> <li>• Adults with serious mental disorders or mental illness.</li> <li>• Incapable adults without family who require health care decisions.</li> </ul>	<p>Clients are at the core of all PGT activity. The PGT liaises with and/or works in partnership with a broad range of individuals and organizations in helping clients meet their needs.</p> <ul style="list-style-type: none"> <li>• Family and friends of clients.</li> <li>• Community groups.</li> <li>• ICBC.</li> <li>• BC Unclaimed Property Society.</li> <li>• Public service partners with statutory authority, e.g., Representative for Children and Youth, Community Living BC, Assisted Living Registrar, Health Authorities, Aboriginal Child and Family Services.</li> <li>• Provincial Government Ministries, particularly Children and Family Development, Housing and Social Development, Attorney General, and Health.</li> <li>• Court of Appeal, Supreme Court and Provincial Court of British Columbia where interests of parties under disability are at issue.</li> <li>• Government of Canada, e.g., Indian and Northern Affairs Canada, Canada Revenue Agency, Department of Veterans Affairs.</li> <li>• Professionals, e.g., medical, legal, financial, social services.</li> </ul>	<p>PGT works with a wide range of private sector service providers in meeting its responsibilities for protecting client personal, legal and financial interests.</p> <ul style="list-style-type: none"> <li>• Private service providers, e.g., care facilities, funeral homes, personal attendants.</li> <li>• Personal service providers.</li> <li>• Financial institutions, e.g., banking, investment services, private investment managers.</li> <li>• Law firms - client legal services.</li> <li>• Designated accountants - client tax advice and filing.</li> <li>• Insurance providers.</li> <li>• Heir tracers.</li> <li>• BC Investment Management Corporation (bcIMC) - Pooled investment funds.</li> <li>• Real property managers.</li> </ul>



## 1. Child and Youth Services

The PGT acts under the authority of a range of provincial statutes to protect the legal and financial interests of minors. In carrying out this work, the Child and Youth Services (CYS) division works on behalf of and directly with children and youth as well as with their parents or guardians.

Some statutes direct the PGT to carry out a protective review function to ensure that a minor's legal and property interests are protected whereas other statutes authorize the PGT to act directly on behalf of a minor in the role of Guardian of Estate, Litigation Guardian or Trustee.

CYS has three primary service lines.

### a. Guardian of Estate

As Guardian of Estate, the PGT is co-guardian with the Ministry of Children and Family Development (MCFD), Delegated Aboriginal Agencies and Community Living BC (CLBC). It has the duty to protect the legal and property interests of minors who are in continuing care of the Province. The PGT is also Guardian of Estate of children who are undergoing adoption or who have no legal guardian. During 2008/09, the PGT was Guardian of Estate for 6,756 children and youth, almost all of whom were in continuing care.

In this capacity, the PGT acted as Litigation Guardian for some children, advancing legal claims which included claims for abuse related damages for children in care. The PGT also pursued financial entitlements (such as Canada Pension Plan Orphan's Benefits) on behalf of eligible children.

### b. Trustee

Trust monies received by the PGT on behalf of children include personal injury settlement proceeds, life insurance proceeds where a minor is the beneficiary and no trustee is named to administer the funds, shares of estates where no trustee is named and also include 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.

During 2008/09, the PGT served as trustee for 12,966 minors with trusts, administering more than \$181 million in assets for the benefit of minors.

### c. Protective Legal Reviews

The PGT protects the legal interests of minors by reviewing all proposed settlements of claims for unliquidated damages brought on their behalf. The settlements may relate to claims arising from medical malpractice, motor vehicle accidents and/or the wrongful death of a parent or guardian. These reviews ensure that the settlements are fair and in the minors' best interests. During 2008/09, CYS lawyers completed reviews of 786 proposed settlements of minors' claims.

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 wherever a minor is a beneficiary or may be entitled to a share in the estate or trust. During 2008/09, the PGT reviewed 1,830 notices affecting minors under Section 112 of the *Estate*

*Administration Act*. Where the PGT has reason to believe that a minor's interest in a trust is at risk, the PGT will investigate the circumstances surrounding the trust on behalf of the minor.

<p>Total Staff: 44</p> <p>Total Clients: 22,292*</p> <ul style="list-style-type: none"> <li>• Guardianship – 6,756</li> <li>• Trust – 12,966</li> <li>• Legal – 4,223</li> </ul> <p>Financial indicators:</p> <ul style="list-style-type: none"> <li>• Revenue (Actual) – \$2.8 million</li> <li>• Expenses (Actual) – \$6.7 million</li> </ul> <p>Total value of assets under administration (at March 31, 2009): \$181 million</p> <ul style="list-style-type: none"> <li>• Investments and securities – \$175 million</li> <li>• Real property – \$6 million</li> <li>• Other – \$0.5 million</li> </ul>	Child and Youth Services
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\*Client counts reflect the number of individual clients served by both division and by major service lines throughout the year. Because of this, the division total does not equal the sum of the service lines as clients may require service in more than one service line.



## 2. Services to Adults

The PGT protects the legal rights and personal and financial interests of adults who are unable to manage their affairs independently and who require substitute decision making. The majority of adult clients rely on PGT financial and legal management or oversight. The PGT also exercises personal care decision making for a small number of adults and makes substitute health care decisions on behalf of others.

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

The direct services adult caseload has become more demanding as its nature has evolved. Adult clients are increasingly coming to the PGT for shorter periods later in life. Clients may have complex assets or debts to manage and increasingly have assets held outside British Columbia that must also be managed by PGT staff.

STA has five primary service lines.

### a. Assessment and Investigation

The first contact the PGT has with most adult clients results from staff responding to reports from concerned friends, relatives or

professionals to assess whether PGT services are required. This includes investigating reports of financial abuse of adults who may be incapable and consulting with community and family members on possible abuse, neglect and self neglect issues.

During 2008/09, these activities involved initial inquiries and investigations related to 1,781 clients.

### b. 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 the patient is incapable of making their own treatment decisions. In the absence of an already existing substitute decision maker such as a Committee of Person or Representative under a Representation Agreement, the Act allows certain family members to make decisions. When these are not available or where there is significant conflict, the PGT is called upon to appoint another substitute decision maker or to make substitute treatment decisions itself.

During 2008/09 the PGT served 665 clients with temporary substitute health care decision services. These included making major and minor health care decisions, authorizing temporary substitute decision makers, approving plans of care and providing brief consultations.

### c. Client Services

During 2008/09, the PGT provided a range of financial and personal care management

services for 4,244 adults in vulnerable situations. It acted under 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 Committee of Estate, staff work with the client to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills, administering investments and managing property. When appointed as Committee of Person, the PGT makes health and personal care decisions on behalf of these adults.

### d. Estate Liaison

Estate Liaison coordinates completion of STA involvement in a client's affairs and releases property under PGT administration when services from STA are no longer required. Client affairs are transferred to Estate Liaison when the PGT no longer has authority for an adult client because the individual has become capable of managing their own affairs, someone else has been appointed as Committee or because the client has passed away. During 2008/09, Estate Liaison was involved with the affairs of 864 clients.

### e. Private Committee Services

Committees are appointed by the Court to manage the financial and/or legal or personal interests of an incapable adult. Private Committees are often family or friends of the adult. Where the Committee is not the PGT, the PGT conducts financial and other reviews of the actions of the Private Committee to



assess whether the adult's interests are being protected.

Throughout 2008/09, Private Committee Services implemented improved criteria for varying levels of reporting to the PGT by Private Committees. The revised and streamlined reporting procedures focused reviews on strategic risk points as well as allowed staff to process the reviews on a more timely basis.

<p>Total Staff: 94</p> <p>Total Clients: 8,680*</p> <ul style="list-style-type: none"> <li>• Assessment and Investigation – 1,781</li> <li>• Client Services – 4,244</li> <li>• Health Care Decisions – 665</li> <li>• Estate Liaison – 864</li> <li>• Private Committee Services – 2,414</li> <li>• Adult Legal Monitoring - 874</li> </ul> <p>Financial indicators:</p> <ul style="list-style-type: none"> <li>• Revenue (Actual) – \$9 million</li> <li>• Expenses (Actual) – \$14 million</li> </ul> <p>Total value of assets under administration (at March 31, 2009): \$441 million</p> <ul style="list-style-type: none"> <li>• Investments and securities – \$322 million</li> <li>• Real property – \$107 million</li> <li>• Other – \$12 million</li> </ul>	<p>Services to Adults</p>
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\*Client counts reflect the number of individual clients served by both division and by major service lines throughout the year. Because of this, the division total does not equal the sum of the service lines as clients may require service in more than one service line.

### 3. Estate and Personal Trust Services

The PGT provides estate administration and personal trust services through the Estate and Personal Trust Services division (EPTS).

EPTS has five service lines.

#### a. Administration of Estates of Deceased Persons

As Official Administrator for British Columbia, the PGT administers the estates of persons who have died when no one is willing and able to administer their estates or where the heirs or their whereabouts are unknown. During 2008/09, the PGT had 1,667 estates of deceased persons under administration.

The PGT also administers estates where the heir is a client of another PGT division, such as Services to Adults, or as a child or youth for whom the PGT is Guardian of Estate. In addition, the PGT acts as Executor when appointed under a will. Where the estate is of minimal value and no next of kin can be found who are willing or able to undertake the arrangements, EPTS ensures that a referral is made to the Ministry of Housing and Social Development to provide for a respectful burial at public expense.

#### b. Personal Trusts

The PGT was Trustee during 2008/09 for 314 personal trusts which had been created either by will, court order or inter vivos settlement. These 314 trusts are associated with 276 personal trust clients. The trusts may be created to ensure that the benefits



going to a child or adult are protected, or alternatively may be created to provide benefits going forward in perpetuity for a charitable organization.

Where options to appoint a family member or trust company are not appropriate, the PGT may agree to act as Trustee. Most of the trusts are discretionary as to the payment of both income and capital, so the funds are distributed at PGT discretion as Trustee in accordance with terms of the trust agreement.

#### c. Litigation Representative

The PGT may agree to act as Litigation Representative for purposes of a specific legal action brought against an estate where there is no Executor, Administrator or other person to act. These cases are externally driven both in terms of the number of cases and the length of time required to resolve the associated legal issues.



During 2008/09, the PGT was Litigation Representative in 47 such cases where the role is generally limited to accepting service on behalf of estates without assets. If the estate has assets, the PGT will apply for letters of administration to administer it and will deal with the litigation under that authority.

#### d. PGT Educational Assistance Fund

As Trustee of a trust established by the Province of BC in 1989, the PGT provides bursaries to qualifying young adults who were formerly under the continuing care of the Province. Applicants are assessed on their grades, financial needs, career goals and other considerations. Funds available are dependent on rates of investment return. The trust had a capital value of \$715,882 at December 31, 2008.

In 2008/09, there were 30 applicants ranging in age from 19 to 50 years. Applicants had career goals including social work, kinesiology, criminology, cellular biology, psychology, business administration and education and included a doctoral candidate. Nineteen students were awarded grants ranging from \$750 to \$1,600 and totaling \$18,700.

#### e. Estates of Missing Persons

The PGT acts as Curator for persons who are missing as defined in the *Estates of Missing Persons Act*. The role of Curator is to manage the adult's property until they are located or until the funds are paid into court for safekeeping. These cases are rare and during 2008/09 the PGT was Curator for only two estates.

Total Staff: 28

Total Clients: 1,972\*

- Deceased estates – 1,667
- Personal trusts – 314
- Litigation Representative – 47
- PGT Educational Assistance Fund – 30
- Estates of Missing Persons - 2

Financial indicators:

- Revenue (Actual) – \$3 million
- Expenses (Actual) – \$3 million

Total value of assets under administration (at March 31, 2009): \$166 million

- Investments and securities – \$129 million
- Real property – \$30 million
- Other – \$8 million

\*Client counts reflect the number of individual clients served by both division and by major service lines throughout the year. Because of this, the division total does not equal the sum of the service lines as clients may require service in more than one service line.



Estate and Personal Trust Services

## 4. Client Finance and Administrative Services

The PGT Client Finance and Administrative Services division (CFAS) provides both corporate and direct client services. Corporate services include budget planning, corporate accounting, information technology, human resources coordination, mailroom and office administration.

Client services include collecting client income, making client disbursements, providing investment expertise and advice used in preparing client investment plans, and investigating, securing and storing physical assets on behalf of clients.

CFAS has five primary service lines.

### a. Information Technology Services

The PGT maintains its information technology services independently from the provincial government. During 2008/09, Information Technology Services (ITS) implemented a new version of the PGT case management software and undertook a range of business process reviews associated with the new application. The section was also restructured during the year to reflect the evolving and increasingly critical role that ITS must play in support of PGT operations.

### b. Client Financial Services

Client Financial Services has ongoing responsibility for managing client assets. In 2008/09, it processed \$174 million in client receipts, made \$152 million in disbursements on behalf of clients and invested \$626 million of



client funds. It also submitted more than 3,300 income tax filings on behalf of child and adult clients.

### c. Investment Management Services

Investing client assets is a significant PGT activity. By statute, the PGT is required to act as a prudent investor and it applies diligent processes when reviewing and assessing clients to determine their investment goals and objectives. Investment Management Services staff work with PGT Guardian and Trust Officers, Case Managers and Personal Trust Administrators to develop personalized investment plans to meet the identified client goals and objectives. For more information see page 21.

An Investment Advisory Committee is established under the *Public Guardian and Trustee Act* to advise the PGT. The Committee is consulted on the strategic plan for investment for each pooled investment fund and provides strategic advice on monitoring and measuring PGT investment performance, internal investment administration processes and selection processes for engaging external investment managers and other investment service providers.

### d. Corporate Financial Services

Corporate Financial Services provides budget planning, development and monitoring and corporate payment processing for the PGT. This includes preparing and supporting Treasury Board submissions, assisting with proposals for new legislation and leading the organization in implementing corporate wide financial initiatives.

### e. Investigations, Warehouse and Administrative Services

Investigations, Warehouse and Administrative Services (IWAS) provides corporate facilities, investigative, mail, records and administrative services. In 2008/09, IWAS logged approximately 36,000 cheques and responded to 977 requests for investigation and securing of client assets, an increase of nine per cent over the previous year.



## PGT Investment Services

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 higher returns. All client cash balances are invested in this fund. (Fund size \$463 million at March 31, 2009)

The *Balanced Income Fund* is aimed at generating current income with some growth. It is used most frequently by adult clients with medium term investment time horizons. (Fund size \$20 million at March 31, 2009)

The *Balanced Growth Fund* is aimed at long term capital growth. It is used most frequently by clients with longer investment time horizons such as young children. (Fund size \$53 million at March 31, 2009)

This table provides comparisons of rates of return for PGT pooled funds and standard alternatives as at March 31, 2009.

### PGT POOLED FUNDS\*

#### Premium Money Market Fund

- 3.54% (1 year)

#### Balanced Income Fund

- 3.22% (5 years annualized)

#### Balanced Growth Fund

- 1.98% (5 years annualized)

### COMPARISONS\*\*

- 91-day Government of Canada Treasury Bill: 2.4%
- 3-year GIC: 1.75%
- Chequing account interest: 0.0%

- Standard industry portfolio benchmarks: 2.98% (5 years annualized)

- Standard industry portfolio benchmarks: 1.77% (5 years annualized)

\* Five year return numbers for balanced funds match risk portfolios of fund participants. This presentation is a change from previous years.

\*\*Sources: Premium Money Market Fund – interest rate paid on PGT client account cash balances; GOC Treasury Bill – BCIMC Premium Money Market Fund March 31, 2009 quarterly report; GIC – CIBC Wood Gundy; chequing account – Cannex LTD; Balanced Income Fund and Balanced Growth Fund – RBC Global Services Benchmark Investment Analytics

While all client cash balances were invested professionally in the Premium Money Market Fund, 1,598 clients with larger account balances and more complex needs received more in depth financial planning with investment plans developed expressly for them. Other investment alternatives, including brokerage services and discretionary managed accounts, are available. Although the PGT most often meets client investment needs through 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 the portfolio risk.



## 5. Legal Services

PGT Legal Services are delivered by a complement of 14 staff lawyers distributed among program and corporate services and supplemented by outside counsel as required. The Deputy Public Guardian and Trustee is the Director of Legal Services.

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

The staff lawyers also carry out certain statutory obligations of the PGT such as reviewing applications for appointments of Private Committees, reviewing settlements of claims for unliquidated damages on behalf of minors, reviewing proposed transactions affecting the property interests of minors, and reviewing legal notices where the interests of minors or incapable adults may be affected.

The Administrative Counsel carries out a variety of duties to support PGT statutory obligations including overseeing PGT involvement in advancing client interests in class proceedings. The Administrative Counsel also oversees provision of legal services to PGT clients by outside counsel.

The Information and Privacy Lawyer coordinates compliance with access and privacy legislation. The majority of PGT requests are complex and are made by family members of PGT clients. More than half (52%) are directed at personal information held

by the Services to Adults division although requests increasingly relate to clients of the Child and Youth Services division. The PGT also responded to a court order for disclosure of information and participated in three reviews conducted by the Information and Privacy Commissioner.

## 6. Policy, Planning and Public Education

The Policy, Planning and Public Education division provides a range of organization wide services in support of PGT operations. These include statutory organizational performance planning and reporting, internal and external communications, strategic planning, policy, research and evaluation. In 2008/09, the division focused on updating PGT publications processes. The number of public queries made through the PGT website has more than doubled in the past two years.

## 7. Coordinating Response to Adult Abuse, Neglect and Self Neglect

The PGT operational response to abuse, neglect and self neglect of adults who are or may be legally incapable rests with the Services to Adults division.

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

The Act further provides for the PGT to organize community networks to provide



support and assistance to abused and/or neglected adults. This is accomplished through coordinating a range of standing committees and special events involving service partners and other stakeholders.

Major standing committees include the Designated Agency Clinicians Teleconference Network which includes Health Authorities and CLBC; the BC Adult Abuse/Neglect Prevention Collaborative, a province-wide community/government working group; and the Adult Guardianship Provincial Advisory Committee comprising representatives of the PGT, the Health Authorities and CLBC.

The PGT also continued to work with the National Association of Public Trustees and Guardians, the Canadian Banking Association and chartered banks on facilitating response to suspected financial abuse of seniors.





## 8. PGT Cross Divisional Activities

The PGT also undertook a number of significant cross divisional activities in 2008/09. The primary focus was on an extensive revision and upgrading of internal controls which included contracting for reviews of all control processes by an external audit firm.

- Total Staff: 234
- Total Clients: 32,763
- Total value of assets under administration (at March 31, 2009): \$789 Million
  - Investments and securities - \$626 million
  - Real property - \$143 million
  - Other – \$20 million
- Business indicators:
  - Client funds invested - \$626 million
  - Client bills paid - \$152 million
  - Client receipts processed - \$174 million
- Other indicators:
  - Clients with trust accounts - 16,381
  - Real properties sold - 102
  - Income tax filings - 4,571

### PGT Summary Activities

## D. CONTEXT FOR 2008/2009 PERFORMANCE RESULTS

### 1. Introduction

This document reports on PGT performance in year one of the 2008 - 2011 Service Delivery Plan (SDP) which was approved by the Attorney General. While the 2008 - 2011 SDP was not formally approved by Treasury Board, the 2008/09 budget was funded as set out in the plan. Goals, objectives and performance measures were implemented during 2008/09 as presented in the SDP and are reported upon herein.

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

The PGT is a client centred organization that seeks to improve the lives of its clients by providing protective and fiduciary services to them. Clients experience rights, choices and security through protection of their legal, financial and personal interests. PGT goals reflect specific areas in which the PGT can act to improve the quality of clients' lives.

The 2008 - 2011 SDP sets out the following five goals:

1. Property and financial interests of PGT clients will be well managed.
2. Personal interests of PGT clients will be protected.
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.

4. The PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients.
5. The PGT will deliver high quality client centred services to clients.

#### a. Goals

The PGT approach to developing its goals focuses on outcomes required to fulfill its mandate. These outcomes are the well being of PGT clients, prudent management of client affairs, operational efficiency and staff effectiveness. Each of these five goals is related to one or more of these outcomes. Goals one, two and three deal directly with work that PGT undertakes on behalf of clients. Goals four and five concern both clients and organizational effectiveness.

As a fiduciary, a significant proportion of PGT activity involves property and financial management. The 2008/2009 PGT Performance Management Framework linking the goals, objectives and measures (pages 34-35) demonstrates that goal one has the greatest number of associated objectives and touches almost every area of the organization and its activities.

#### b. 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 while still capable of being measured and validated to an audit standard. Selecting objectives and performance measures is particularly challenging because the PGT contribution to client outcomes is contributory rather than causative in most instances.

### c. Performance Measures

The PGT selects 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 well being through activities that are significant to clients, their family, friends, caregivers or heirs. Factors such as accessibility, timelines, accuracy and empowerment are important to client well being. 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 legal requirements (e.g., fiduciary obligations), are benchmarked against private sector standards (e.g., investment returns), are driven by safety issues (e.g., investigations in high risk situations), or may reflect a balance between service demand and resources in an environment of significant self funding.

Due to the planning and reporting cycle, targets reflect a PGT assessment of appropriate attainable service levels based on its best judgment at the time they were established 18 months previous in the service

planning cycle. Targets are also set with a view to determining the acceptable level of performance given resources and constraints in a given period. In addition, the PGT must be able to substantiate its reported performance results to an audit standard.

Results are continually assessed to determine if measures should be continued, targets should be increased or resources could be reassigned to other service areas. The PGT seeks to meet its performance targets and monitors performance during the year. When targets are at risk, resources are allocated in year to the program area if available.

The performance measures are set out in the 2008/2009 PGT Performance Management Framework on pages 34-35.

### 3. Role of the PGT Mission, Vision and Values

The PGT mission, vision and values are reflected in all aspects of its service delivery. They are expressed in the philosophic approach that PGT staff bring to their work such as ensuring that adult clients participate in decision making about their lives to the greatest extent possible. They are supported in formal policies and structure.

Much of the PGT mandate is to serve clients who do not have family or friends able to assist them or who are mandated by law as with children and estates of deceased persons. As a result, few PGT clients have come to the PGT for service as a matter of choice.

Many adult clients are disadvantaged by mental illness, infirmity or separation from family or friends and all adult clients have experienced a loss of personal and/or financial autonomy. The PGT must carefully balance its responsibility to provide protection with values of openness and respect for clients. Staff must make decisions about how far they can go to respect client wishes even when those wishes do not appear to be in the client's interests.

PGT activities have a cumulative and contributory impact on improving the quality of clients' lives according to the specific client group and nature of activity. Children and youth benefit when the PGT acts to maximize their funds held in trust while still allowing appropriate disbursements. Minor guardian clients benefit when the PGT initiates legal actions on their behalf when they have suffered harm. Heirs and beneficiaries of estates of deceased persons that are administered by the PGT benefit when they receive funds and related assets after they have been located and properly identified.

Adult clients benefit when the PGT makes sustainable arrangements that respect client wishes to the extent possible while managing their financial affairs and acting to maximize resources available for their needs. Adult clients benefit from substitute health care decisions by receiving the treatment they would likely have chosen. Adult clients also benefit from the PGT approach of providing maximum empowerment of clients. This is consistent with the values and approach identified in Goal Three of the BC Great Goals for a Golden Decade, (i.e., *Build the best system of support in Canada for persons with disabilities,*



*special needs, children at risk and seniors).*

In addition to its direct impact on clients, the PGT contributes to efficiency of the social services, health, legal and justice systems by timely substitute decision making, facilitating care, providing experienced objective legal reviews and taking protective measures on behalf of clients.

#### 4. Societal Trends and Other Factors Affecting the PGT in 2008/2009

A number of significant societal trends, risk factors and internal issues affect the work of the PGT. These include the following:

##### a. Demographic Trends

This factor continues to be the single most important societal trend affecting the PGT with the impact felt both in the aging population and in the increasing diversity of PGT clients. The proportion and number of seniors continues to grow because of aging baby boomers and increased life expectancy. Increasing immigration and associated family reunification has added significant complexity to providing services to clientele with diverse languages and cultures.

The PGT has a large proportion of clients who are affected by diseases of aging. Seniors, particularly those over 85 who are most susceptible to dementia and Alzheimer's, are the fastest growing segment of the BC population. BC Stats has projected that the BC population aged 85 and over will increase by 78% in the 20 years from 2006 to 2026, with increases ranging from 48% in the Vancouver

Island Health Authority Region to 168% in the Northern Health Authority Region.

A national study has predicted that nearly 14,000 new cases of dementia will be diagnosed each year in British Columbia. PGT services will be affected as a larger proportion of the population will need care and support for health care and financial decision making as well as for estate and personal trust services.

The impact of this growth in the proportion of senior clients intersects most other trends affecting PGT, such as restructuring of the health and social services sectors, a disjointed legislative framework, increased immigration, the need for informed consent, growing awareness of elder abuse, increased potential for abuse, neglect and self neglect, and lack of societal consensus regarding decisions affecting application of new medical technology available at end of life.

The general population is more mobile with the result that families are widely dispersed and local family supports, particularly for the elderly, may not be available. Immigration factors and population mobility within Canada also make it difficult to locate family members as well as heirs and beneficiaries.

##### b. Enhanced Attention to Child Protection

Public interest remains high in services to children in provincial care. As Guardian of Estate, the PGT is co-guardian with the Ministry of Children and Family Development (MCFD), Delegated Aboriginal Agencies and Community Living BC (CLBC) for children in continuing care of the province. In this

capacity, the PGT receives critical incident reports from MCFD of incidents involving children in care and must assess each report and investigate and take legal action where appropriate in support of the children.

The PGT also protects the interests of children and youth by carrying out a number of other statutory roles. These include reviewing settlements of claims for damages brought by minors and acting as Trustee in reviewing and administering funds held in trust for children until they reach the age of majority.

The PGT is a member of the Children's Forum, a working group of senior officials involved with children receiving services from the provincial government. Other members include MCFD, the Representative for Children and Youth, the Chief Coroner, the Ombudsman and the Provincial Health Officer.





### c. Services to Aboriginal British Columbians

The PGT has long recognized the particular needs of Aboriginal British Columbians and has sought to improve its services accordingly. As Aboriginal organizations are increasingly becoming service partners with the PGT, the need to facilitate improved service to both Aboriginal clients and related organizations is becoming more pronounced.

While the PGT is eager to improve service delivery to Aboriginal and First Nations clients, its ability to accomplish this in a timely manner is constrained because the PGT is largely self funding through fees and commissions paid by clients and receives no public funding to facilitate this. Improving service is further constrained by the lack of a PGT regional office in the northern region of the province where many Aboriginal and First Nations clients live.

The most challenging service area involves responding to MCFD devolution of its child protection services which has resulted in the PGT becoming co-guardian with statutory Delegated Aboriginal Agencies (in addition to MCFD and CLBC) for all children in continuing care. This has significant implications for the PGT including the need to develop and maintain organizational relationships, educate regarding respective roles and responsibilities, and develop and implement information sharing agreements and reporting.

The PGT has also initiated and is otherwise involved in several activities related to Aboriginal British Columbians and First Nations. These include developing a protocol with Indian and Northern Affairs Canada (INAC) to provide seamless service delivery between off and on-reserve clients moving between jurisdictions. This initiative received an honourable mention for the northern region in the recent Premier's Awards.

The PGT has been invited to treaty and post-treaty discussions involving services to incapable adults. Where a pre-treaty service was delivered by the federal government and post-treaty is to be delivered by the PGT, funding will be required for the PGT to deliver these new responsibilities.

The PGT has also worked closely with First Nations reserve communities in co-ordinating resources to respond to abuse of incapable adults and has facilitated joint workshops between the communities, Health Authorities and police services to develop interagency protocols. Preventing financial abuse in

relation to Indian Residential School Common Experience Payments has been a major focus and a provincial dialogue among service providers resulted in a strategies document for First Nations communities and support materials directed at Residential School survivors. This work has been recognized by the Indian Residential School Survivors National Conference.

### d. Revenue Issues and Fiscal Model

The evolving PGT service model that is arising from changes in PGT responsibilities and the nature of its client load has significant implications for its revenue and fiscal model. These pressures also impact service partners with joint PGT clients such as the Ministry of Housing and Social Development.

PGT client services fall into estate and trust or public services. *Estate and trust services* are those where the primary activity is fiduciary in protection of client assets and this focus is reflected in the level of cost recovery. *Public services* are those where the primary focus is monitoring and the limited or nil cost recovery reflects the public nature of the service.

The PGT self funds a large percentage of its expenditure budget through fees and commissions charged on client income and assets (currently 59%). While revenue has been very positive in recent years prior to the economic downturn, structural factors will increasingly impact the organization. The evolving profile of PGT adult clients means that they are becoming PGT clients for shorter periods and thus less revenue is earned from subsequent asset management to offset costs of



the intensive activity required to provide service to a new client. The growth in structured legal settlements which lessen the size of the overall trust being administered by the PGT negatively impacts revenue associated with administering children's trust funds. PGT revenue is also directly impacted by rates or return on investments and the real estate market which have both been depressed by the economic downturn.

Historically some PGT services have been subsidized by unrelated PGT clients through fees and commissions. Implications of fees for low income, low asset adult clients such as those on disability pensions have also raised concerns. The PGT has received public funding to respond to significantly higher levels of critical incident reports generated by MCFD involving children in continuing care.

Momentum has continued in the long-term transition from the PGT acting primarily as a fiduciary to one that includes significant investigatory and regulatory roles. Workload associated with investigative and regulatory activities generally does not generate significant cost recovery. In addition to client-specific budget considerations, PGT obligations and expectations associated with monitoring, oversight and education are increasing. Changes in litigation patterns such as the growth in class actions put significant pressure on costs of services. Recommendations from a forensic audit to implement significant additional internal controls have further increased expenditure pressure.

The PGT operates in an environment of capped expenditure levels and limited capacity to

influence or buffer the impact of increased demand for services. Demand is related to demographics, availability of alternatives to PGT services, court decisions and the changing service environment involving other organizations. While the PGT has a special operating account, access to it is limited and it cannot act as a buffer to budgeted variances without impacting approved expenditure levels.

#### e. An Evolving Legal Services Environment

The PGT continues to be impacted by continuing changes in the Canadian legal services environment. This impact is felt both in terms of PGT participation in various legal proceedings, particularly abuse-related litigation, and in an enhanced concern with risk management. Both of these require a significant commitment of resources by the PGT to ensure that it meets its fiduciary duty to protect the legal interests of clients.

The growth in class proceedings has increased demand for the PGT to determine which of its clients might be class members in a range of actions. The PGT faces a significant challenge in trying to determine which adult clients have a potential interest because many clients have no family and few records of their lives prior to PGT involvement and mental incapacity may also limit their ability to assist in this process. While externally incurred costs arising from researching and securing records required to assess possible eligibility are borne by the clients, these demands also impact overall PGT organizational capacity and resources.

The PGT has experienced an increase in lawsuits relating to forms of injury suffered in institutionalized settings. As a result, the PGT has been involved in various legal actions on behalf of clients who were resident in those institutions at the time the injury was alleged to have occurred. This includes the Woodlands School class action and the Indian Residential Schools Settlement.

The role to be played by the PGT in protecting the rights to compensation for sexual or physical abuse of children is an emerging issue. As a result of improved reporting by MCFD, the PGT is reviewing and responding to a significantly increased number of reports of incidents involving children in continuing care. Key Supreme Court of Canada decisions have resulted in the need to accelerate the timetable for related legal actions in support of the children.

Increased due process and risk management requirements add pressure to PGT corporate legal services. The PGT is also experiencing growing legal demands in accountability-related activity such as responding to proceedings involving the Information and Privacy Commissioner. While costs associated with these new legal pressures are incurred in acting as fiduciary for individual clients, they are primarily funded as an aspect of organizational capacity.

#### f. Growing Recognition of Abuse, Neglect and Self Neglect of Adults

There is increasing awareness of the incidence and impact of abuse, neglect and self neglect of adults in vulnerable situations. Under Part



3 of the *Adult Guardianship Act*, the PGT is responsible for supporting public bodies and community agencies to respond to abuse and neglect of vulnerable persons.

The PGT is working with communities, First Nations governments and Aboriginal organizations, police agencies and the health, social services, financial and justice sectors to raise awareness of elder abuse and abuse of other vulnerable adults. The PGT is emphasizing working with police agencies and interjurisdictionally with financial institutions to increase awareness of the financial dimensions of abuse of vulnerable adults.

The PGT appoints Designated Agencies by regulation to respond directly to reports of abuse, neglect and self neglect while the PGT primarily responds directly to possible financial abuse. The PGT facilitates development of Community Response Networks throughout the province and provides limited support to their provincial coordinating body, the BC Association of Community Response Networks.

The PGT is continuing to bring First Nations communities and Aboriginal agencies together with Designated Agencies and others involved with adult guardianship work to clarify responses and roles when abuse, neglect or self neglect is reported or suspected on-reserve.

#### **g. Impact of a Disjointed Legal Framework**

Proclamation of Bills 26 and 29 had been anticipated during 2008/09, but has been deferred because of economic conditions. BC, which had been a national leader in the 1990s,

now lags far behind most other Canadian jurisdictions in its legislative framework governing adult guardianship.

The current framework governing protection of incapable adults is a mixture of old and new legislation with contradictory policy objectives that results in significant gaps in coverage. This situation has developed over time as newer statutes have been implemented with provisions that have been more consistent with modern approaches to substitute decision making while older statutes passed many years ago and embodying different philosophies have remained in effect.

This situation results in considerable confusion among both public and professionals including doctors and lawyers. It also negatively impacts clients as the PGT may be unable to respond to their needs with as much flexibility as desired. Lack of some types of statutory provisions, for example those governing admission to health care facilities, results in an environment in which caregivers and families may be at risk for taking necessary protective actions without express legal authority.

#### **h. Heightened Focus on Self Management for Adult Clients**

The growth of a rights conscious society in which individual rights are emphasized has its counterpart in public demands promoting self reliance and self management. These movements will increase in significance for the PGT as its clients increasingly comprise “baby boomers” with their expectations of increased accountability at the organizational level coupled with participatory decision making at

the client level, both requiring the provision of information.

In the PGT context, key factors will include a continued emphasis on restructuring its administrative discretion, emphasizing due process and using more oversight and accountability tools to ensure that respect for client rights can be demonstrated. This increases the requirement for staff training and for maintaining clear, current policies. The related need for increased access to information will also require the PGT to continue redeveloping its information technology to respond effectively to this demand.

Responding to this self management trend highlights the need for effective public education and information relating to areas of PGT responsibility, such as incapacity planning as part of an effective demand management strategy. It also highlights the importance of developing strong partnership relationships with other service providers to achieve maximum efficiencies in areas of overlap.

The current BC legislative framework governing incapable adults limits PGT ability to respond to these demands for self management. Proclamation of Bill 29 would provide the necessary flexibility. Deferred proclamation also negatively impacts the movement to encourage individuals to actively plan for future incapacity by limiting the utility of available legal instruments.

#### **i. Growing Importance of Partnerships**

Positive, well-informed relationships with service partners are becoming both increasingly important and more complex and



time consuming to develop and maintain as the service provider community continues to evolve. For example, responsibility for services to developmentally disabled adults has been changing since CLBC was established. The creation of the Registrar of Assisted Living and the increased emphasis on that service sector presents new relationships for PGT to build and maintain.

Statutory Delegated Aboriginal Agencies with child protection responsibilities are important new service partners for the PGT. As the PGT is co-guardian with these agencies for children in continuing care, this transition requires the PGT to develop and foster improved relationships with these organizations.

A PGT stakeholder survey and extensive consultations found that service providers want a closer relationship with PGT and consider that extensive public education and information is needed. This need includes both education with respect to PGT and related roles and responsibilities and to related subjects such as adult guardianship, incapacity planning and protection issues.

## 5. Risk Management

The PGT acts in a broad range of fiduciary, statutory and court ordered roles. Because of the associated legal and financial risks, almost all PGT activity is designed to incorporate risk management practices. Examples include investigative work in conjunction with case management, financial controls, separation of duties, approval processes and physical security such as use of a vault, safety deposit boxes, secure warehouse storage and disaster

recovery procedures. The PGT is also subject to three statutory independent audits annually (two financial and one performance) to provide external assurance.

During 2008/09, the PGT focused on strengthening its internal controls by taking action in a wide range of areas. These activities were part of implementing a risk management report by Deloitte and Touche (Deloitte) who were engaged by the PGT to conduct a comprehensive risk assessment of the organization and make recommendations for improvements. This assessment was conducted following a risk incident.

In 2007, the PGT and 12 clients were victims of fraud carried out by a temporary employee acting as a Case Manager in the Services to Adults division. Upon identifying possible irregularities, the PGT immediately notified the police, began an internal investigation and engaged an independent forensic auditor. It also took civil action to recover the misappropriated assets.

In March 2008, the civil action was resolved in favor of the PGT which recovered misappropriated client property. The offender faced 14 criminal charges and pled guilty to three, including employment fraud, theft and forgery. He was sentenced to a six year term of imprisonment in June 2009.

Funds and interest were returned to impacted clients in early 2008. All possible transactions involving the former employee were carefully reviewed and the forensic auditor and the PGT have concluded that all fraud and/or other inappropriate transactions have now been identified and resolved.

The PGT conducted an extensive review of its internal controls and business processes to help ensure such criminal activity could not recur. Some of the Deloitte recommendations were implemented in 2007/08 and many more were implemented in 2008/09. Further recommendations of the forensic auditors will be implemented in 2009/10. The PGT is continuing to further strengthen its risk management framework.





## Risk Management Framework

ISSUES	POTENTIAL RISKS	KEY MITIGATION STRATEGIES
<b>STRATEGIC RISK</b>		
<p><i>The PGT may not have adequate organizational capacity to meet its legal and financial responsibilities because of the combination of spiking demand for services, changes in PGT roles and responsibilities, and the evolving service environment.</i></p>	<ul style="list-style-type: none"> <li>• Workloads may be so high that staff may be unable to adequately perform duties including internal control activities.</li> <li>• The PGT may be unable to satisfy requirements to develop and maintain relationships with the growing number of service partners with statutory authority.</li> <li>• Aboriginal/First Nations communities may continue to be underserved by the PGT.</li> </ul>	<ul style="list-style-type: none"> <li>• Business process reviews are underway to identify efficiencies and ensure consistency.</li> <li>• Information technology solutions are being sought to support staff and facilitate transactions.</li> <li>• Additional staff will be deployed to assist with extensive new internal controls duties.</li> <li>• Reasonable and sustainable minimum performance standards have been established.</li> <li>• Policies provide for potential adult clients to be referred elsewhere whenever possible.</li> <li>• Proposals are being developed to restructure the PGT financial model to respond to the changing nature of responsibilities and increasing demand for services.</li> <li>• The PGT information sharing protocol with the Ministry of Children and Family Development related to co-guardianship of children in continuing care applies to Delegated Aboriginal Agencies unless alternate agreements are negotiated.</li> <li>• Relations with Community Living BC (CLBC) have been improved through activities such as PGT participation in staff training and teleconferences on related topics.</li> <li>• The PGT coordinates the Designated Agency Clinicians Teleconference Network to facilitate consistent service by Health Authorities and CLBC in responding to adult abuse, neglect and self neglect.</li> <li>• The PGT has established an internal Aboriginal/First Nations Working Group to promote consistency and efficiency in responding to needs.</li> <li>• The PGT has negotiated a protocol with Indian and Northern Affairs Canada to facilitate seamless transition between jurisdictions for Aboriginal/First Nations clients.</li> </ul>
<p><i>Public confidence in PGT integrity and professionalism could be shaken by negative public comment regarding the organization.</i></p>	<ul style="list-style-type: none"> <li>• Clients, family and friends may be concerned that the PGT will be unable to protect assets from fraud and/or other misappropriation.</li> <li>• Public perception of the PGT may be skewed by lack of basic information about the PGT and its roles and responsibilities coupled with negative publicity relating to individual cases where privacy requirements constrain PGT comment.</li> </ul>	<ul style="list-style-type: none"> <li>• In 2007/08, the PGT began a comprehensive review of all asset and trust management processes to strengthen its risk management framework and began implementation of the recommendations.</li> <li>• In 2008/09, the PGT hired Deloitte to conduct an intensive review of PGT internal controls and systems security. Recommendations from these reviews are being implemented.</li> <li>• The PGT has reviewed its internal audit structure and has hired a new Internal Auditor.</li> <li>• New hiring practices have been implemented which include extensive police and other security and employment checks.</li> <li>• New more comprehensive fidelity insurance has been put in place.</li> <li>• PGT staff make presentations in a wide range of settings to describe PGT roles and responsibilities to the extent that resources permit.</li> <li>• The PGT is making efforts to increase public information in all formats regarding its roles and responsibilities.</li> </ul>





## Risk Management Framework (cont'd)

ISSUES	POTENTIAL RISKS	KEY MITIGATION STRATEGIES
<b>OPERATIONAL RISK</b>		
<i>Business continuity could be disrupted.</i>	<ul style="list-style-type: none"> <li>Information technology could be inadequate to meet needs or could fail.</li> <li>Disaster could disrupt operations.</li> </ul>	<ul style="list-style-type: none"> <li>Disaster recovery capabilities are in place providing daily back up of electronic data to an offsite location and ability to deliver services from offsite.</li> <li>The PGT financial system (COMET), while still functional, has been identified for replacement in upcoming years. Business requirements for a replacement system will be completed in 2009/10. Replacement of this system will be dependent upon additional capital funding requested by the PGT.</li> <li>A new business continuity plan is being implemented to help ensure continuous client service in the event of a disaster.</li> </ul>
<i>Operational errors and/or inefficiencies may occur.</i>	<ul style="list-style-type: none"> <li>Staff may not be adequately trained for their roles and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Staff receive a minimum number of training days annually as resources permit.</li> <li>Staff are surveyed to determine if they consider they have the necessary training to do their work.</li> <li>Staff are supported by written policies and procedures.</li> </ul>
<i>PGT stability and ability to perform may be threatened by financial losses associated with economic conditions.</i>	<ul style="list-style-type: none"> <li>The existing PGT financial model which utilizes a special account may be too rigid to respond to economic changes.</li> </ul>	<ul style="list-style-type: none"> <li>Proposals are being developed for a restructured financial model that would provide stability and ability to plan.</li> </ul>
<i>Client investments require careful management.</i>	<ul style="list-style-type: none"> <li>Clients may experience losses in the value of their investments associated with market conditions.</li> <li>Investment fund managers could fail to perform.</li> </ul>	<ul style="list-style-type: none"> <li>Individual investment plans are developed for clients that take into account their specific needs.</li> <li>The PGT acts as a prudent investor.</li> <li>A statutory Investment Advisory Committee advises the PGT on its investment strategies.</li> <li>The PGT assesses the performance of its contracted investment fund managers against industry benchmarks.</li> </ul>
<i>Some PGT services are delivered by contracted third parties.</i>	<ul style="list-style-type: none"> <li>Contracted service providers may not be qualified or follow PGT policies.</li> </ul>	<ul style="list-style-type: none"> <li>Contracted service providers are identified by formal competitive processes that stipulate standards and are monitored for compliance.</li> </ul>
<i>Liability exists in the exercise of PGT statutory and fiduciary responsibilities.</i>	<ul style="list-style-type: none"> <li>Failure to identify and protect the financial or legal interests of a client in a timely manner could occur, client trust funds could be mismanaged or personal information could be inappropriately disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>Timeliness standards have been established for securing client property and reviewing legal and financial claims to reduce the risk of loss related to negligent performance of duties, missed deadlines or limitation periods.</li> </ul>



## Risk Management Framework (cont'd)

ISSUES	POTENTIAL RISKS	KEY MITIGATION STRATEGIES
<b>COMPLIANCE RISK</b>		
<i>Data integrity could be compromised.</i>	<ul style="list-style-type: none"> <li>Staff may be unclear as to how to use PGT systems or there may be inconsistencies between individual staff and divisions.</li> </ul>	<ul style="list-style-type: none"> <li>Accounting and trust management controls are in place to protect client funds.</li> <li>A PGT case management system (CASE) is being progressively implemented and will contribute to increased assurance that necessary client related activities are occurring in a timely manner.</li> <li>Business process reviews continue to be conducted to establish clarity and consistency.</li> </ul>
<b>CASE RISK</b>		
<i>Staff errors or omissions could result in loss.</i>	<ul style="list-style-type: none"> <li>Clients could experience losses and PGT could be exposed to liability as a result of staff missing deadlines or making errors.</li> </ul>	<ul style="list-style-type: none"> <li>The case management system provides for exception reports that assist supervisors in monitoring staff activity.</li> </ul>
<i>Theft of data or inappropriate disclosure could occur.</i>	<ul style="list-style-type: none"> <li>Confidential information could be inappropriately intercepted during electronic transmission.</li> <li>Staff could inappropriately disclose client information.</li> </ul>	<ul style="list-style-type: none"> <li>The PGT is implementing new encrypted email systems as well as a new more efficient and more secure method of transferring client data.</li> <li>An information and privacy lawyer monitors compliance with disclosure policies.</li> </ul>

### 6. 2008/2009 Performance results

In 2008/09 the PGT met or exceeded its target for 21 of 22 or 95 per cent of its performance measures. Comments related to data and use of comparative information are discussed below. Specific performance details related to each measure are provided in the performance details section. The summary service delivery plan with goals, objectives, performance measures and targets appears on pages 34-35.

#### a. Source Data

Data for this performance report has been drawn primarily from internal information management systems. The primary systems are COMET (financial) and CASE (case management). Financial statistics are derived from the audited financial statements and are rounded.

During 2008/09, the PGT maintained clear documentation of the process of collecting and

reporting on data supporting its performance results. This has contributed to ensuring consistency and reliability in reported results.

The use of the PGT case management information system (CASE) has continued to increase and in 2008/09 it was used in processes for 9 of the 14 performance measures supported by information technology. In reporting on some performance measures, data is entered into spreadsheets and manipulated in that format.



Unless otherwise specified, client count reports reflect varying program workloads as measured by the number of individual clients served throughout the fiscal year. In some instances, the data 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. Unless otherwise stated, results for specific performance measures are comparable with previous years. In reporting on performance results, the PGT usually rounds to the nearest full number.

The PGT continues to review its performance on a quarterly basis both to manage performance and also to identify concerns with data collection and reliability. Where available, the PGT uses spot checking, cross referencing data sources and checking new reports against prior versions for consistency and to test reliability of results.

In accordance with the *Public Guardian and Trustee Act*, the 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 annual independent audit to provide third party assurance.

#### b. 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. Because of 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 exact same authorities.

While the PGT has been engaged in ongoing discussions with other jurisdictions in developing a limited range of benchmarks for use at the national level, progress is gradual because of the significant differences between jurisdictions. Consistent data may eventually lead to agreement on establishing desired service levels. The PGT will reassess its targets as national standards are developed.

For 2008/09, the PGT is able to make comparisons from its own past performance using information reported in its previous Annual Reports. While some measures have been changed, eliminated or been 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.

The PGT is mindful of its statutory obligation to report on all program areas. This 2008/09 performance report includes 22 measures down from 23 in 2007/08. Targets were increased for two measures, decreased for two measures and changes are described in the following reports on the specific measures.

#### c. Miscellaneous Inactive Performance Measures

The PGT 2008/2011 Service Delivery Plan (SDP) included three performance measures related to implementation of new adult guardianship legislation. Proclamation of the legislation had been anticipated during 2008/09 but has been deferred by the Provincial government.

As a result, SDP performance measures 1.3, 3.5 and 3.6 have been removed from consideration as they are no longer applicable to the PGT pending proclamation of the new adult guardianship legislation. Identification numbers for the remaining performance measures have been adjusted accordingly to provide for an orderly flow.



## 7. 2008/2009 PGT Performance Measurement Framework

Goals	Objectives	Measures
1. Property and financial interests of PGT clients will be well managed.	(a) Disbursements from children's trusts will be made in a timely manner.	1 Percentage of disbursements from children's trusts completed within 15 days of request by the guardian or client.
	(b) Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.	2 Percentage of critical incident reports in respect of children in continuing care reviewed and action initiated by PGT within 60 days of receipt.
		3 Percentage of personalized case plans, covering effects, legal issues and living arrangements that will be developed and implemented for new adult clients within 6 months of PGT appointment as Committee of Estate.
	(c) Assets of clients' estates will be identified, secured and administered in a timely manner.	4 Percentage of client trust receipts processed within five business days.
		5 Percentage of client disbursements processed within 15 business days.
(d) Estate distributions will be made to heirs and beneficiaries.	6 Physical assets of new deceased estates secured within 15 days of notification of death.	
2. Personal interest of PGT clients will be protected.	(e) Client investments will be managed prudently.	7 Percentage of deceased estate funds distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society.
	(a) The personal needs of children and youth clients will be protected.	8 Investment returns for all three pooled funds match or exceed established benchmarks.
(b) The personal interests and health care needs of adult clients will be addressed.		9 Percentage of investment plans subject to review (according to the assessed level of risk associated with the client investment portfolio) completed within the next year.
	(a) The personal needs of children and youth clients will be protected.	1 Personalized expenditure plans will be developed and implemented for children awarded in excess of \$50,000 for cost of care within six months of the PGT receiving funds and then annually reviewed.
(b) The personal interests and health care needs of adult clients will be addressed.		2 Personalized expenditure plans will be developed and implemented for children and youth with assets in excess of \$50,000 where on-going assistance with day to day maintenance has been approved within 20 days of receiving all decision making information and then annually reviewed.
	(a) The personal needs of children and youth clients will be protected.	3 Percentage of Committee of Person adult clients who are annually visited by PGT staff.
(b) The personal interests and health care needs of adult clients will be addressed.		4 Percentage of major health care substitute decisions for adults made within 3 working days of all relevant information being received.



## 7. 2008/2009 PGT Performance Measurement Framework (cont'd)

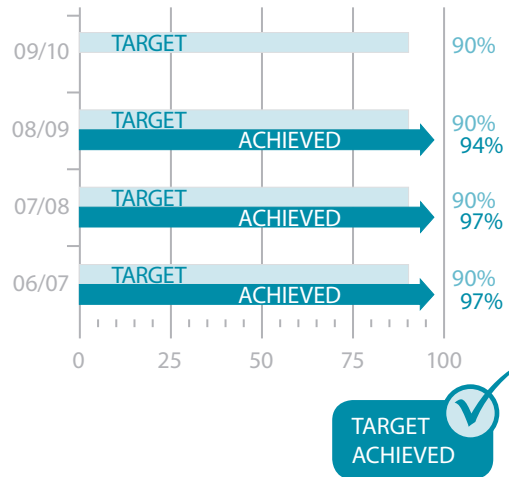
Goals	Objectives	Measures
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.	(a) Settlement reviews of legal claims of children and youth will be carried out in a timely manner.	<ol style="list-style-type: none"> <li>1 Percentage of proposed minors' settlements \$5,000 and over that are reviewed and the parties advised of the PGT position within 60 days once all relevant information has been received.</li> <li>2 For minors' settlements under \$5,000, the average number of days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received.</li> <li>3 Percentage of stakeholders reporting satisfaction with the PGT process for making recommendations on unliquidated damage claims.</li> </ol>
	(b) PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.	<ol style="list-style-type: none"> <li>4 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 under section 19 of the Public Guardian and Trustee Act within one working day.</li> <li>5 Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision.</li> </ol>
4. The PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients.	(a) PGT will promote an understanding of its role among clients, stakeholders and the public.	<ol style="list-style-type: none"> <li>1 PGT role explained by PGT representatives at stakeholder conferences, events and other public education forums.</li> </ol>
	(b) PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients.	<ol style="list-style-type: none"> <li>2 Identify trends and systematic issues related to PGT's role on behalf of children in Provincial care.</li> </ol>
5. The PGT will deliver high quality, client-centred services to clients.	(a) PGT will meet client expectations for quality, equitable and accessible services.	<ol style="list-style-type: none"> <li>1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good.</li> </ol>
	(b) Mission critical information technology systems and processes will support PGT business activities.	<ol style="list-style-type: none"> <li>2 Develop case management and client financial management information system in phases.</li> </ol>



## 8. Performance Details

### Goal 1. Property and financial interests of PGT clients will be well managed.

#### 1.1 Percentage of disbursements from children’s trusts completed within 15 days of request by the guardian or client

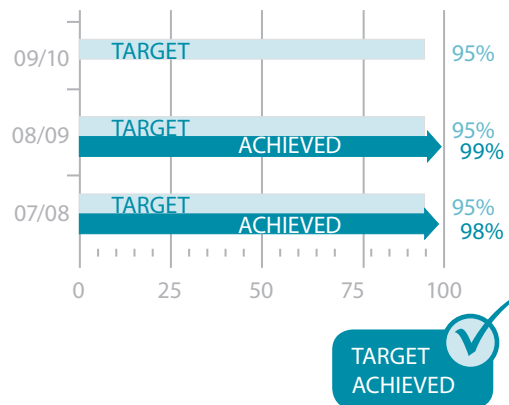


**Administering trusts where** a child or youth is the beneficiary is a major responsibility of PGT Child and Youth Services. Unlike a bank account, funds held in trust are subject to a number of restrictions designed to protect the client. The staff consider client requests to spend some of the individual’s trust monies and must determine whether the request falls in or outside the trust restrictions while still providing a timely response.

**This activity benefits** children and youth by allowing appropriate disbursements in a timely manner while applying necessary constraints to satisfy terms of the trust and to maximize funds for their future.

**It is reasonable** in most cases to expect a request to be decided within 15 calendar days. In 2008/09, out of 3,267 decisions 3,056 (94%) were completed and a cheque was issued within 15 days of request of the guardian or client.

#### 1.2 Percentage of critical incident reports in respect of children in continuing care reviewed and action initiated by PGT within 60 days of receipt



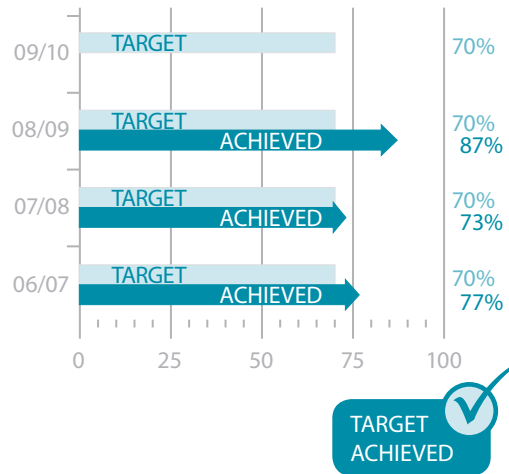
**The PGT is** co-guardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Agencies for children in continuing care of the Province. Designated officials of MCFD and the Delegated Agencies are Guardians of Person for children in continuing care and the PGT is Guardian of Estate. As Guardian of Estate, the PGT must identify outstanding financial entitlements or legal claims and bring forward appropriate legal action. This includes claims for unliquidated damages such as personal injury arising from abuse, assault or motor vehicle accidents as well as for statutory benefits such as death of a parent. The PGT receives automated reporting from MCFD and the Delegated Agencies 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 improves** the well being of children and youth in continuing care of the Province by protecting their legal rights and financial interests. It also satisfies PGT legal obligations as fiduciary. In 2008/09, of 600 critical incident reports, 597 (99%) were reviewed and action was initiated by the PGT within 60 days of receipt of the report.



## Goal 1. Property and financial interests of PGT clients will be well managed.

### 1.3 Percentage of personalized case plans, covering property, effects, legal issues and living arrangements that will be developed and implemented for new adult clients within six months of PGT appointment as Committee of Estate

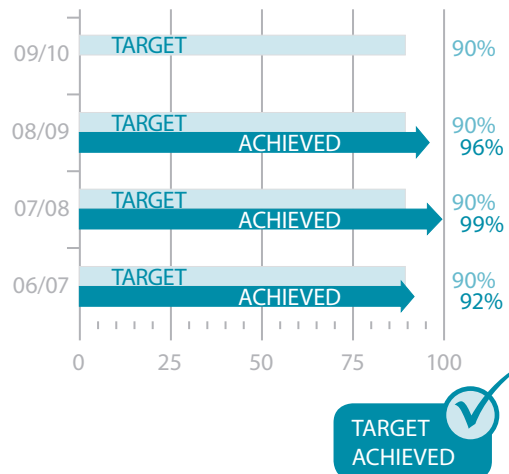


The PGT may become Committee of Estate (COE) under the *Patients Property Act* for adults who are unable to manage their financial and legal affairs. Completion of a personalized case plan for a new COE client demonstrates that the PGT has taken the steps necessary to identify and secure the client's property and financial interests and provides for their ongoing protection. The time taken to develop and implement the plan will vary according to complexity of the client's property and financial investments. For this measure, appointment as COE means the date on which the PGT is informed of the appointment.

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 COE clients, six months is a reasonable expectation in which to complete the plan as several months are normally required to collect all relevant information about the client.

During 2008/09, 552 new clients required these plans and the PGT developed personalized case plans for 480 (87%) of them within the six month time frame. This is in an increase of 20% in the number of new COE clients who required these plans over the previous year and a 68% increase over the past three years.

### 1.4 Percentage of client trust receipts processed within five business days



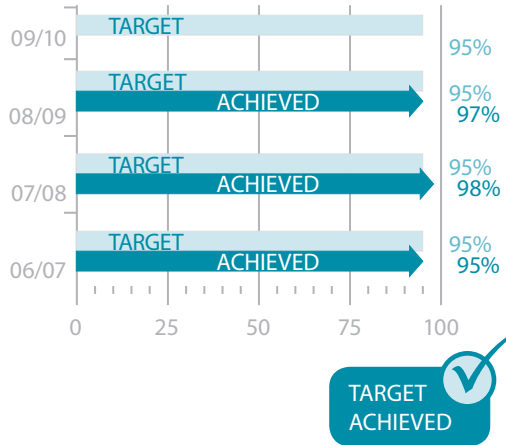
The efficient management of client financial affairs is paramount. This includes the timely processing of client income and receipts. By promptly depositing income and other funds into an adult client's trust fund, flexibility in managing a client's affairs increases as does the client's potential to earn investment income. This activity improves quality of life for incapable adults by maximizing resources available for their care.

This performance measure tracks trust receipts received by PGT adult clients. In 2008/09, of the 28,893 receipts of income or capital, 27,777 (96%) were processed within the five day timeline. The decline in performance from 2007/08 is related to workload. The total number of receipts reflects a 30% increase over the previous year. There was a 10% increase in the number of receipts after adjusting for one-time activity associated with the climate action dividend.



## Goal 1. Property and financial interests of PGT clients will be well managed.

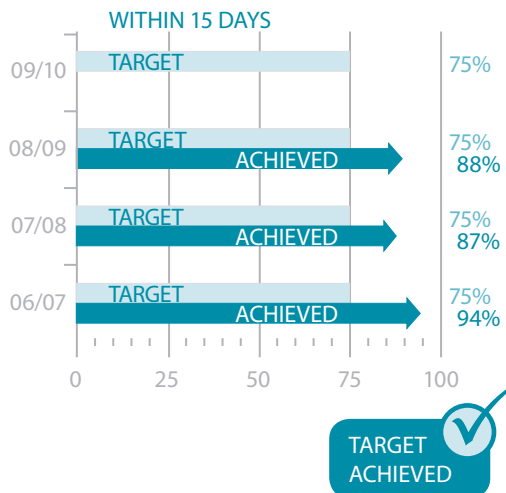
### 1.5 Percentage of client disbursements processed within 15 business days



Ensuring that amounts owing by clients are paid in a timely manner is an important aspect of managing an adult client's affairs. This activity improves quality of life for incapable adults by assuring timely bill payments on their behalf.

In 2008/09, 141,929 of 146,030 (97%) adult client disbursements were processed within 15 business days. The total number of disbursements represents an 11% increase over the previous year.

### 1.6 Physical assets of new deceased estates secured within 15 days of notification of death



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 an 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.

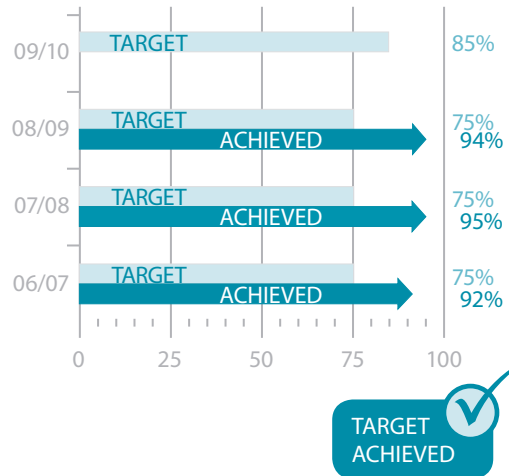
In 2008/09, the PGT was notified of 115 new deceased estates of which the physical assets for 101 (88%) were secured within 15 days.





## Goal 1. Property and financial interests of PGT clients will be well managed.

### 1.7 Percentage of deceased estate funds distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society

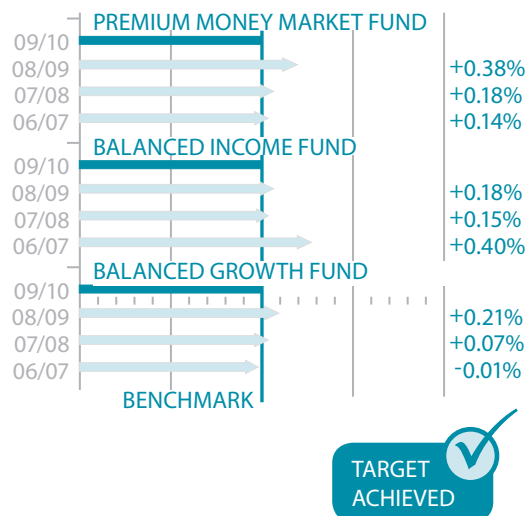


As **Official Administrator**, the PGT administers estates of deceased persons when no one is willing or able to administer them or when the heirs or beneficiaries are unknown. If the PGT is unable to determine the lawful heirs of an estate after conducting a search, the balance of the estate after payments to creditors, administrator fees and expenses is transferred to the BC Unclaimed Property Society.

This activity **protects** heirs and beneficiaries by ensuring that efforts are made to locate and distribute their entitlements to them.

In **2008/09**, PGT Estate and Personal Trust Services distributed \$22,184,825 of which \$20,855,679 (94%) was transferred to heirs and beneficiaries.

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



**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 with 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.

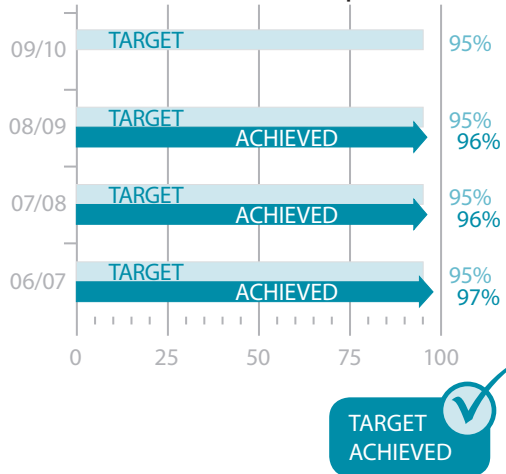
**Investment returns** are calculated using the investment industry standard of four year rolling averages with information on returns provided by third party professional measurement services. RBC Benchmark measures the Balanced Income and the Balanced Growth Funds and BC Investment Management Corporation measures the Premium Money Market Fund.

This activity **improves** quality of life for clients by prudently managing their financial resources through quality investment management to ensure their resources are maximized to meet their needs.



## Goal 1. Property and financial interests of PGT clients will be well managed.

### 1.9 Percentage of investment plans subject to review (according to the assessed level of risk associated with the client investment portfolio) completed within the year

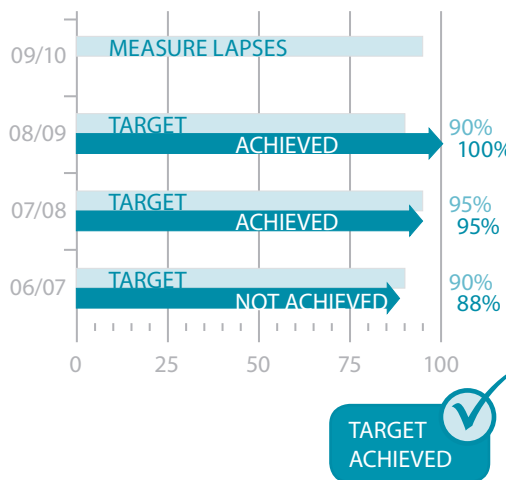


**Individual client circumstances**, such as increased or decreased need for cash funds, are considered when developing and reviewing investment plans. Reviewing existing client investment plans is important because client needs and risk tolerance change over time. Frequency of reviews is also related to the asset mix in the client investment plan.

**This activity improves** quality of life for clients by ensuring that financial planning remains up to date to maximize resources available for their needs. At March 31, 2008, 927 client investment plans were scheduled for review during 2008/09 and 142 clients left PGT authority during the year. Of the remaining 785 clients, 756 (96%) of the scheduled account reviews were completed.

## Goal 2. Personal interests of PGT clients will be protected.

### 2.1 Personalized expenditure plans will be developed and implemented for children awarded in excess of \$50,000 for cost of care within six months of the PGT receiving funds and then annually reviewed



**This measure focuses** on minor clients with significant liquid assets who receive enhanced trust services. The PGT implements personalized case plans on behalf of children and youth who have been awarded \$50,000 or more in damage settlements for the cost of future care. A case plan is typically prepared upon receipt of a request from the child's guardian. Some children awarded funds for their cost of care do not utilize them or require case plans while minors, which preserves the funds for cost of care needs after the child reaches majority.

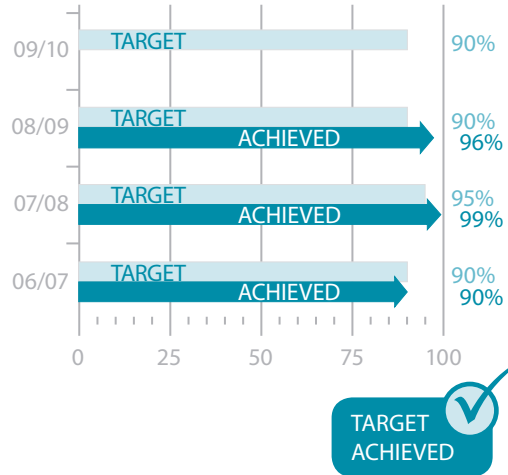
**This activity improves** the quality of life for the children by providing for sustainable management of their resources to meet current and future costs. In 2008/09, personalized case plans were developed and implemented or reviewed within the target timelines for 22 of 22 (100%) minor clients who had been awarded \$50,000 or more for cost of care. The annual reviews are conducted within 425 days of the previous review to allow for adequate consultation.

**This target had** been increased to 95% for 2007/08 and was returned to the previous 90% level for 2008/09 in recognition of the small number of cases covered by this measure and thus the inordinate impact of individual situations. While this activity will continue to be tracked for operational purposes, it does not continue as a performance measure in the 2009 – 2012 Service Delivery Plan.



## Goal 2. Personal interests of PGT clients will be protected.

2.2 Personalized expenditure plans will be developed and implemented for children and youth with assets in excess of \$50,000 where on-going assistance with day-to-day maintenance has been approved within 20 days of receiving all decision making information and then annually reviewed



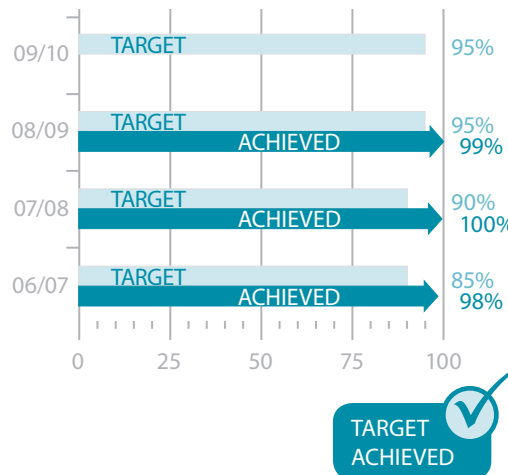
The PGT implements and maintains personalized case plans on behalf of children and youth who have assets of \$50,000 or more where ongoing assistance with day to day maintenance has been approved. Maintenance includes a broad range of payments to the caregiver for day to day costs of the child's needs.

This measure focuses on minor clients with significant liquid assets who receive enhanced trust services. This activity improves the quality of life for children and youth by providing for timely decisions regarding sustainable management of their resources to meet current and future needs.

In 2008/09, personalized case plans were developed and implemented or reviewed within the target timelines for 95 of 99 (96%) minor clients who had been awarded \$50,000 or more for ongoing maintenance. The annual reviews are conducted within 425 days of the previous review to allow for adequate consultation.

This target had been increased to 95% for 2007/08 and was returned to the previous 90% level for 2008/09 in recognition of the small number of cases covered by this measure and the inordinate impact of individual situations.

2.3 Percentage of Committee of Person adult clients who are annually visited by PGT staff



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 each of 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 ensure protection of their ongoing personal and self care interests. For the adult, the visit is an opportunity to convey information directly to the PGT without an intermediary such as the caregiver or the care facility administrator.

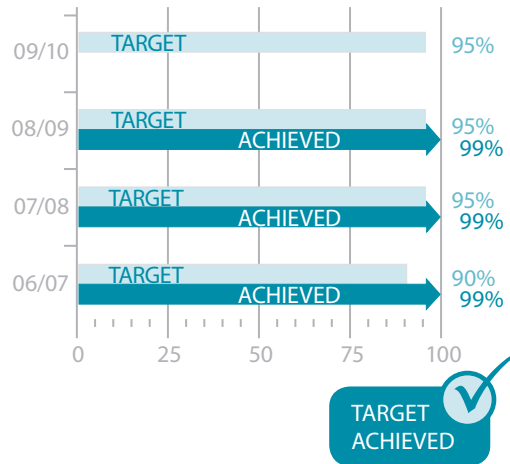
This performance measure focuses on clients for whom the PGT has the greatest responsibility. Client visits improve quality of life for clients through direct contact with PGT staff and provide for their maximum empowerment.

In 2008/09, visits were made to 107 of 108 (99%) adult clients for whom the PGT acts as Committee of Person. The target has increased from 90% in 2007/08.



## Goal 2. Personal interests of PGT clients will be protected.

### 2.4 Percentage of major health care substitute decisions for adults made within three working days of all relevant information being received



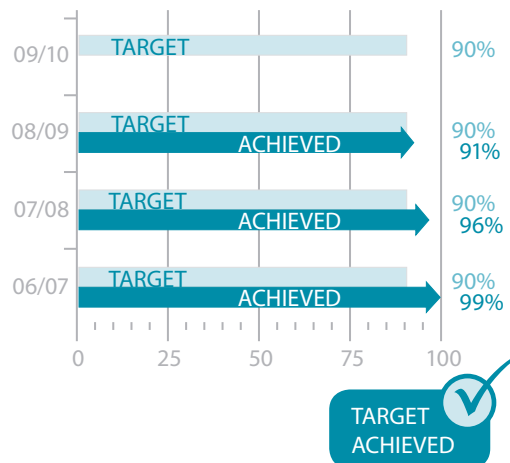
The PGT protects the personal interests of adults incapable of making health care consent decisions by making health care decisions on their behalf as Temporary Substitute Decision Maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*.

The timeliness of PGT substitute health care decisions on behalf of incapable adults as TSDM is important to the well being and rights protection of the individual for whom treatment has been proposed by a health care provider. A collateral benefit is that it may also contribute to the efficient functioning of the health care system. However, many other factors also influence the health of individual clients and efficiency of the health care system.

Timeliness of the 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 2008/09, of 145 major health care decisions, 144 (99%) were made within three days.

## Goal 3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.

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



Under the *Infants Act*, the PGT must review all proposals to settle a claim by a minor for unliquidated damages such as wrongful death of a parent, personal injury arising from motor vehicle accidents, medical malpractice and other claims. The PGT has jurisdiction independently to approve infant settlements of \$50,000 or less (exclusive of interest and costs) outside the court process and provides written comments to the Court for amounts greater than \$50,000 or where the PGT is acting as Litigation Guardian for the child.

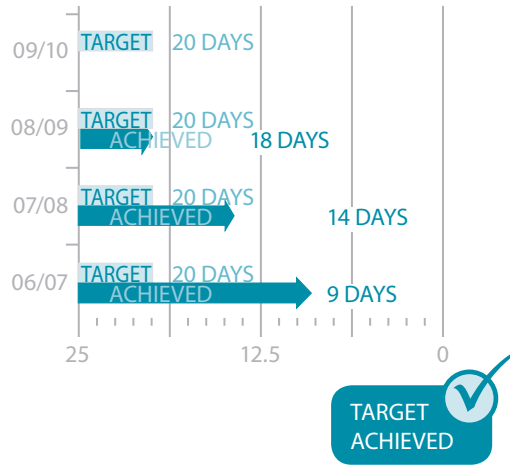
This statutory service protects minors' property rights in obtaining fair and reasonable compensation from negligent parties or their insurers. It also contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner. The Supreme Court of BC recognizes 60 days for completing the reviews as a reasonable length of time in which to provide an appropriate level of scrutiny. 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 their parent or guardian.

In 2008/09, in 451 of 495 cases (91%), the PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 days of all relevant information being received. The decline in performance from the previous year was due primarily to a divisional human resources issue that has since been addressed. A revised documentation process that enhances accountability also had a minor negative impact.



### Goal 3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.

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

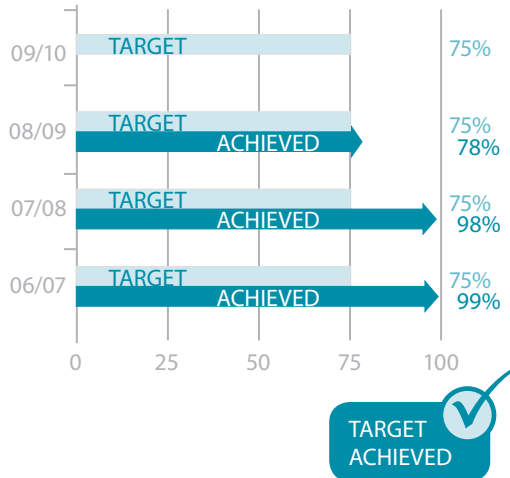


**This measure is** related to the previous measure (3.1) and focuses on proposed settlements of minors' claims under \$5,000 for unliquidated damages. Under the *Infants Act*, the PGT must review all proposals to settle a claim by a minor for unliquidated damages. The PGT has jurisdiction independently to approve infant settlements of \$50,000 or less (exclusive of interest and costs). Parties may appeal the decision of the PGT to the BC Supreme Court, in which case, the PGT would provide comments to the Court as it does for settlements over \$50,000.

**These smaller settlements** are reported separately because they are usually less complex than larger settlements and it is possible for the PGT to settle these proposals more expeditiously. This increases efficiency of the review process and helps the parties to achieve closure.

**In 2008/09**, the PGT reviewed and concluded 290 proposed settlements under \$5,000 in an average of 18 elapsed days per settlement. The decline in performance from the previous year was due primarily to a divisional human resources issue that has since been addressed. A revised documentation process that enhances accountability also had a minor negative impact.

#### 3.3 Percentage of stakeholders reporting satisfaction with the PGT process for making recommendations on unliquidated damage claims



**Under the *Infants Act***, the PGT must review all proposals to settle a claim by a minor for unliquidated damages. The PGT has jurisdiction to independently approve infant settlements of \$50,000 or less (exclusive of interests and costs) and provides written comments to the Court for amounts greater than \$50,000. Various stakeholder groups are surveyed in rotation.

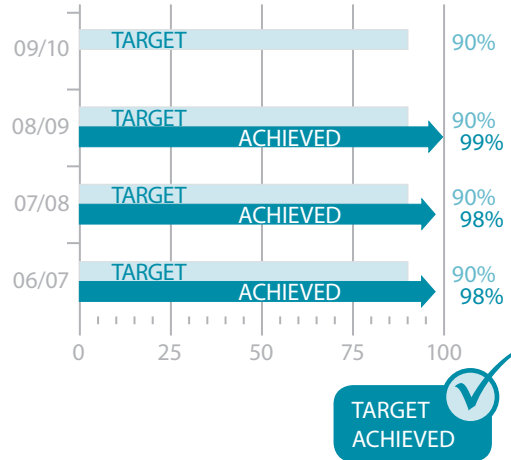
**Review of proposed** infant settlements protects children and minors by providing experienced objective reviews in a timely manner and contributes to increased efficiency of the court system. Surveying external stakeholders improves service delivery by highlighting areas requiring improvement.

**In 2008/09**, the PGT surveyed lawyers who had submitted proposed settlements of infants' claims for unliquidated damages of any amount to the PGT for review under the *Infants Act* and who received final decisions during the third quarter of the year. Unliquidated damages include *Family Compensation Act* or personal injury claims. Of 41 who responded to the survey, 32 (78%) rated the service as satisfactory or very satisfactory. Responses did not include information that would suggest trends accounting for the decline in satisfaction levels.



### Goal 3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.

3.4 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 under section 19 of the *Public Guardian and Trustee Act* within one working day



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 them will be unable to do so. Under section 19, the PGT orders financial interventions to freeze 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 2008/09, the PGT took protective measures in 237 cases. In 236 of these (99%), protective measures were exercised within one working day. The number of actions is a significant increase (41%) over the previous year when there were 168 cases and more than double (104%) over the past two years.

3.5 Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision



The PGT is responsible under the *Patients Property Act* for passing the accounts submitted by Private Committees appointed by the Supreme Court of British Columbia to be responsible for adults who are not capable of managing their own affairs. Passing the accounts of Private Committees provides information on the financial decisions they have made on behalf of their clients. This measure reports on the timeliness of PGT reviews.

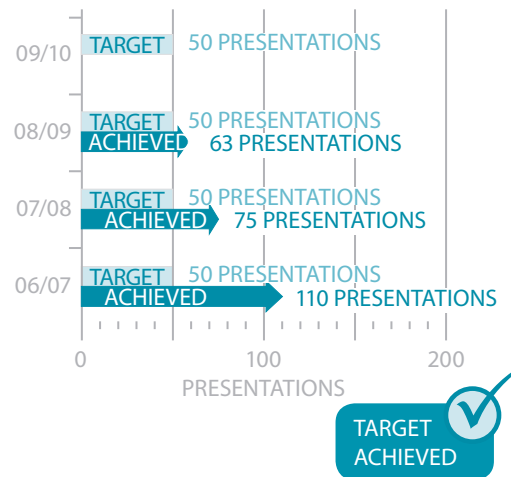
Reviewing the accounts of Private Committees in a timely manner is important in ensuring financial affairs of the adult are managed by Private Committees in a fiduciary manner and in allowing Private Committees to take fees to which they are entitled. High risk accounts are reviewed within 60 days. Accounts that are not ready for review, such as those that are incomplete or require special investigation are not included in this measure. At March 31, 2009, the average age of the remaining Private Committee accounts was 4.7 months. This is a significant improvement over the previous year and reflects process changes related to refined risk assessment associated with activities of Private Committees.

\* The 2007/08 result has been recalculated to reflect a 365 day year to be consistent with the presentation for other years.



## Goal 4. The PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients.

### 4.1 PGT role explained by PGT representatives at stakeholder conferences, events and other public education forums



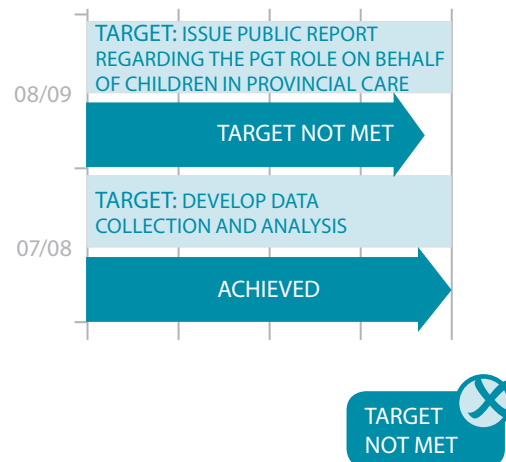
There is continuing high demand from the public, service partners and stakeholders for the PGT to make presentations about the PGT and its areas of responsibility. Service partners also request presentations that will enable them to understand related roles and responsibilities.

Better understanding of the PGT role promotes appropriate uptake of PGT services and is an important element in a PGT demand management strategy. The report of the Premier's Council on Aging and Seniors Issues spoke of the importance of public education on issues affecting seniors. The *BC Child and Youth Review* recommended that the PGT participate with partners in public education activities affecting children in care.

In 2008/09, the PGT made public presentations at 63 meetings, conferences or other events. While this exceeded the target, it is significantly less than in 2007/08 and the actual demand for such presentations was even greater. The reduction reflected the impact of staff resources being committed to preparing for possible implementation of new adult guardianship legislation.

The PGT continually strives to meet the demand for public education activities which must be balanced against other service requirements.

### 4.2 Identify trends and systemic issues related to PGT's role on behalf of children in Provincial care



Public attention is increasingly focused on services provided to children in Provincial care. As co-guardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Agencies for children in continuing care, the PGT plays a unique role. In addition to its duties responding to individual critical incident reports involving children for whom it is Guardian of Estate, the PGT has committed that, over time, it will analyze and report on associated trends.

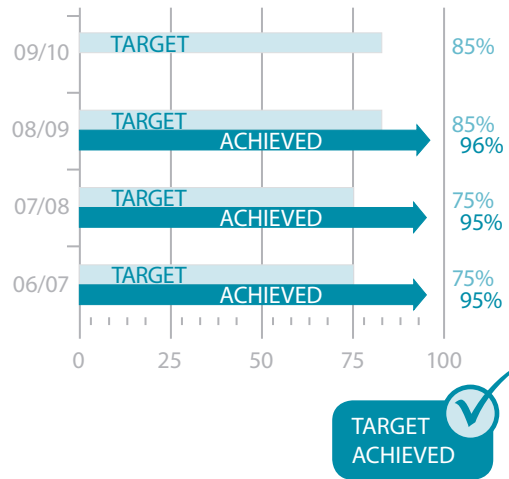
The PGT is one of several organizations with responsibility for aspects of services to children in Provincial care. The PGT is a member of the Children's Forum which also includes the Representative for Children and Youth, the Provincial Health Officer, MCFD, the Ombudsman and the Chief Coroner. Because of its statutory role as Guardian of Estate, the PGT is uniquely placed to identify trends and systemic issues from a different perspective than others. In 2008/09, the target for this performance measure was to issue a public report regarding the PGT role.

The report was issued in June 2009 after a decision to delay release so that the report could describe activities for the entire fiscal year. While the report will be issued annually in future, this performance measure which was related to developing data systems and creating the report, is not planned to appear in future service plans.



## Goal 5. The PGT will deliver high quality client-centred services to clients.

### 5.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good



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

In 2008/09, there were 226 completed surveys. Of these, 200 of 209 (96%) beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.

### 5.2 Develop case management and client financial management information system in phases



The PGT has been implementing an electronic case management system in phases to replace an inadequate legacy information technology system originally designed for financial management purposes. This performance measure relates to improvement of system data integrity, data capturing process, reporting ability and better aligns the case management system to the PGT business process.

In 2008/09, the PGT implemented a new version of the case management system originally implemented in February, 2007. This enhancement included multiple system and business process improvements directed at all case management system users. Among the changes were improved search functions, case load transfer, investigations and warehouse management and physical file management, enhanced security, and business process documentation related to the case management system.





## E. LINKING RESOURCES TO PERFORMANCE

### 1. Linking Resources, Strategies and Results

#### a. Background

The PGT is responsible by law for delivering a broad range of services to clients and is self funded for more than half 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 budget resources and constraints of a given year in the context of its three year plan.

The PGT delivers client services through a combination of operational division specific, integrated, cross divisional activities, and those delivered in conjunction with service partners:

- i. Operational divisions focus on broad client groups such as children and youth, adults, and estates and personal trusts. Costs are assigned directly to the divisions.
- ii. Operational division activities 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 the organization using an allocation model developed to reflect approximate usage.

- iii. In addition, 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 divisional budgets and indirectly through costs assigned through the allocation model.
- iv. Services delivered in conjunction with service partners such as client real property management are charged directly to clients.

See pages 52 and 53 for the Allocation of Revenues and Expenses by Program – Budgeted and Actual [unaudited] for the year ended March 31, 2009.

Delivery of services and allocation of costs are reflected in Table 1 [unaudited] on page 48, 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.

#### b. Linkages

Client services fall into one of two categories of expenditure, i.e., estate and trust services or public services. Estate and trust services are those where the greatest impact from the service is on the management of individual client assets and this is reflected in the total or high level of cost recovery. Public services are those where the greatest impact from the service is in monitoring or oversight and

the limited or nil 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 a number of programs and expenditures and also a number of divisions.

#### c. 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, a new adult client requires more than preparation of a new case plan, i.e., assets must be secured, legal interests must be considered, real property may have to be sold, an investment plan may have to be developed, overdue taxes may have to be made current, and such.

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]**

Area of Expenditure*	Strategic Goals Most Directly Affected**	Context***
<b>ESTATE AND TRUST SERVICES</b>		
<p>Estate and trust services are the primary PGT responsibility and accounted for \$15.5M or 65% of total costs in 2008/09 and produced \$13.5M or 90% of self-generated revenue. While the proportion of costs has been declining, the proportion of revenue generated has remained relatively constant. Estate and trust services include the following:</p> <ul style="list-style-type: none"> <li>• Child and Youth Services - Trustee</li> <li>• Services to Adults - Client Services</li> <li>• Estate and Personal Trust Services - Estate Services</li> </ul>	<p><b>Goal #1.</b> Property and financial interests of PGT clients will be well managed.</p> <p><b>Goal #2.</b> Personal interests of PGT clients will be protected.</p> <p><b>Goal #4.</b> The PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients.</p> <p><b>Goal #5.</b> The PGT will deliver high quality client-centred services to clients.</p>	<ul style="list-style-type: none"> <li>• The rate of cost recovery in PGT Estate and Personal Trust Services was 98% in 2008/09 (106% in 2007/08).</li> <li>• The PGT acts as a prudent investor in managing client funds with all client invested funds. These investment activities support Goal #1 by managing client property and financial interests. At March 31, 2009, the average cost per client for staff pay and benefits within the PGT Investment Management Services section was \$21.82 (\$21.66 at March 31, 2008).</li> </ul>
<b>PUBLIC SERVICES</b>		
<p>Public services accounted for \$8.3M or 35% of total costs in 2008/09 and produced \$1.5M or 10% of self-generated revenue.</p> <p>Public services include the following which are identified by expenses and also by self-generated revenues (in brackets):</p> <p>Child and Youth Services</p> <ul style="list-style-type: none"> <li>• Guardian of Estate \$2.6M (\$0.2M)</li> <li>• Infant Settlement Reviews \$1.5M (\$0.4M)</li> <li>• Notices \$0.5M (\$0.3M)</li> <li>• Other Miscellaneous \$0.1M (\$0)</li> </ul> <p>Services to Adults</p> <ul style="list-style-type: none"> <li>• Assessment and Investigation \$0.9M (\$0)</li> <li>• Health Care Decisions \$0.8M (\$0)</li> <li>• Private Committee Services \$1.6M (\$0.5M)</li> <li>• Notices \$0.1M (\$0.05M)</li> <li>• Community Development \$0.14M (\$0)</li> </ul> <p>Estate and Personal Trust Services</p> <ul style="list-style-type: none"> <li>• Public Inquiry \$0.1M (\$0)</li> </ul>	<p><b>Goal #1.</b> Property and financial interests of PGT clients will be well managed.</p> <p><b>Goal #2.</b> Personal interests of PGT clients will be protected.</p> <p><b>Goal #3.</b> Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.</p> <p><b>Goal #4.</b> The PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients.</p> <p><b>Goal #5.</b> The PGT will deliver high quality client-centred services.</p>	<ul style="list-style-type: none"> <li>• Under the <i>Health Care (Consent) and Care Facility (Admission) Act</i>, PGT staff make substitute health care treatment decisions or appoint other suitable decision makers. This health care decision making activity supports Goal #2 by protecting personal interests of PGT clients. In 2008/09, average unit cost was \$1,141 (\$1,072 in 2007/08 restated to conform to 2008/09 presentation).</li> <li>• The <i>Estate Administration Act</i> (Section 112) requires that the PGT be notified before application can be made to settle an estate involving interests of a child. These Section 112 reviews support Goal #3 by delivering statutory protective services in a timely manner. In 2008/09, cost per review was \$548 (\$450 in 2007/08 restated to conform to 2008/2009 presentation). The <i>PGT Fees Regulation</i> allows a fee of \$300 per notice for a review.</li> </ul>

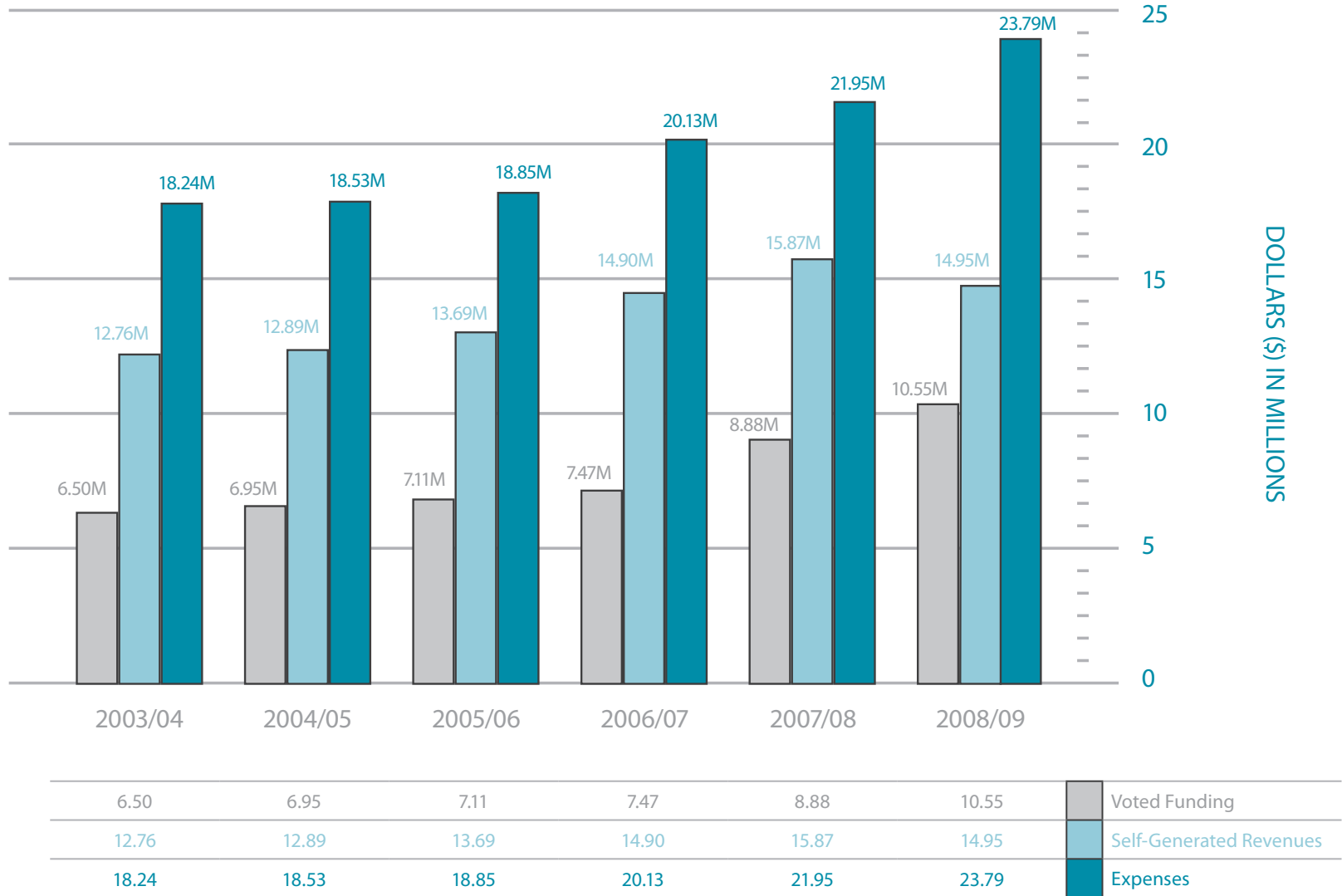
\* All PGT expenditures are allocated into one of two categories, i.e., estate and trust services or public services.

\*\* Goals may apply in both categories. Individual measures within a goal may relate more specifically to one area of expenditure or another.

\*\*\* Conforms to current year presentation.



Table 2. PGT Voted Funding, Revenues and Expenses 2003/2004–2008/2009 [unaudited]





## 2. Revenue and Program Costs 2008/2009

### a. Introduction

The Public Guardian and Trustee (PGT) cost allocation model was developed to show revenues and costs in a meaningful way by linking resources to the costs of service provision.

The model continues to evolve in response to the changing environment in which the PGT operates and as technological improvements allow more sophistication in aligning resources and costs.

### b. Revenue Sources and Variances

#### i. Revenue Sources

Revenue is comprised of commissions, fees and recoveries charged to PGT estate and trust clients for services rendered, monitoring fees charged to other clients and funding received from the Province of British Columbia.

Commissions and fees are charged in accordance with the *Public Guardian and Trustee Fees Regulation*.

#### ii. Revenue Variances [unaudited] For the year ended March 31, 2009 (Expressed in thousands of dollars)

	Budget	Actual	Variance	Note
<b>Revenues</b>				
<b>Self-generated funding</b>				
Commissions	\$9,434	\$9,958	\$(524)	1
Asset management fees	2,600	3,027	(427)	2
Estate liaison administration fees	330	398	(68)	
Estate and personal trust services heir tracing fees	150	139	11	
Fees including private committee, infant settlement and applications to court	1,275	1,265	10	
Cost recoveries	154	166	(12)	
<b>Voted funding</b>				
Funding from the Province of British Columbia	10,546	10,546		
<b>Total Revenues</b>	<b>\$24,489</b>	<b>\$25,499</b>	<b>\$(1,010)</b>	

Brackets in variance column indicate actual revenues in excess of budget.

#### iii. Explanatory Notes on Revenue Variances

1. PGT commission revenues showed an increase over budgeted levels in fiscal 2008/09 but the amount was much moderated over the increases that began in 2005/06. This moderation is a reflection of the worldwide economic downturn. Because the PGT budgets revenues conservatively based on long term historical patterns, the revenues were still able to exceed budgeted values. It is projected that revenues will continue the downward trend for at least the next fiscal year.
2. Net assets held in trust increased by approximately \$21M in 2008/09. Compounded by growth in prior fiscal periods, this had an overall positive effect on the asset management fee revenue.



## c. Expenses and Variances

### i. Expense Variances [unaudited]

For the year ended March 31, 2009

(Expressed in thousands of dollars)

	Budget	Actual	Variance	Note
<b>Expenses</b>				
Salaries and benefits	\$17,294	\$16,244	\$1,050	1
Professional contracts	1,805	2,324	(519)	2
Building occupancy	1,636	1,739	(103)	3
Computer related	1,192	1,474	(282)	4
Other	1,756	1,930	(174)	5
Expense (recoveries)	(98)	80	(178)	6
<b>Total Expenses</b>	<b>\$23,585</b>	<b>\$23,791</b>	<b>\$(206)</b>	

Brackets in variance column indicate actual expenses in excess of budget.

### ii. Explanatory Notes on Expense Variances

1. The PGT budgets salaries and benefits based on the assumption of 100% staffing. In prior years, salary savings arising from vacancies have averaged 2% to 3%. In 2008/09, the rate increased to 6.1% resulting from delayed recruitment of the new Full Time Equivalents (FTEs) for the delivery of critical incident reporting activity.
2. The PGT continued work on enhancing its control processes during fiscal 2008/09 using the work of external consultants. In addition legal services coverage exceeded anticipated requirements. Both of these activities were significant contributors to the increased costs over budget in the professional contracting category.
3. Building occupancy costs increased due to the need for additional space for new FTEs related to critical incident reporting and tenant improvements to enhance security measures at the PGT.
4. Computer related costs increased over budget due to required improvements for CASE and a computer security audit initiated as part of the PGT commitment to strengthen security processes.
5. Other expenses primarily represent the cost of temporary staff services used to provide coverage for short term vacancies and for project work.
6. Expense (recoveries) variance reflects the higher than anticipated expenditures within the Estate and Personal Trusts section for advances to trusts. These will be recovered in a subsequent fiscal period.



Public Guardian and Trustee of British Columbia  
 Allocation of Revenues and Expenditures by Program – Budget [unaudited]  
 Fiscal year ended March 31, 2009

(Expressed in thousands of dollars)

	Estate and Trust Services				Public Services				Totals
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	
Revenues									
Self Generated Funding									
Commissions	5,600	2,125	1,589	9,314			120	120	9,434
Asset management fees	1,400	500	657	2,557			43	43	2,600
Estate Liaison administration fees	330			330				0	330
Estate and Personal Trust Services heir tracing fees		150		150				0	150
Private Committee review fees				0	475			475	475
Infant Settlement review fees				0			500	500	500
Applications to Court				0	48		252	300	300
Cost recoveries	58	94	2	154				0	154
	7,388	2,869	2,248	12,505	523	0	915	1,438	13,943
Funding from other sources									
Voted funding									10,546
Total Revenues									24,489
Expenses									
Salaries and benefits	6,766	2,766	1,335	10,867	2,714	91	3,622	6,427	17,294
Professional contracts	821	87	104	1,012	236	0	557	793	1,805
Building occupancy	788	255	70	1,113	231	0	292	523	1,636
Computer related	274	119	556	949	87	0	156	243	1,192
Other	602	212	212	1,026	361	0	369	730	1,756
Expenses (recoveries)	(60)	7	(13)	(66)	(44)	0	12	(32)	(98)
Total Expenses	9,191	3,446	2,264	14,901	3,585	91	5,008	8,684	23,585
	(1,803)	(577)	(16)	(2,396)	(3,062)	(91)	(4,093)	(7,246)	
Excess of Revenues over Expenses									\$ 904



Public Guardian and Trustee of British Columbia  
 Allocation of Revenues and Expenditures by Program – Actual [unaudited]  
 Fiscal year ended March 31, 2009

(Expressed in thousands of dollars)

	Estate and Trust Services				Public Services				Totals
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	
Revenues									
Self Generated Funding									
Commissions	6,138	2,457	1,191	9,786			172	172	9,958
Asset management fees	1,696	594	696	2,986			41	41	3,027
Estate Liaison administration fees	398			398				0	398
Estate and Personal Trust Services heir tracing fees		139		139				0	139
Private Committee review fees				0	516			516	516
Infant Settlement review fees				0			421	421	421
Applications to Court		3		3	47		278	325	328
Cost recoveries	102	63	1	166				0	166
	8,334	3,256	1,888	13,478	563	0	912	1,475	14,953
Funding from other sources									
Voted funding									10,546
Total Revenues									25,499
Expenses									
Salaries and benefits	7,000	2,485	1,134	10,619	2,443	89	3,093	5,625	16,244
Professional contracts	1,061	114	151	1,326	330	0	668	998	2,324
Building occupancy	862	261	125	1,248	258	0	233	491	1,739
Computer related	412	120	402	934	239	0	301	540	1,474
Other	756	223	254	1,233	322	0	375	697	1,930
Expenses (recoveries)	(0)	105	(0)	105	(33)	0	8	(25)	80
Total Expenses	10,091	3,308	2,066	15,465	3,559	89	4,678	8,326	23,791
	(1,757)	(52)	(178)	(1,987)	(2,996)	(89)	(3,766)	(6,851)	
Excess of Revenues over Expenses									\$ 1,708



2008/2009

AUDITED FINANCIAL STATEMENTS

OPERATING ACCOUNT

ESTATES AND TRUSTS ADMINISTERED





# OPERATING ACCOUNT

## 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 generally accepted accounting principles 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 code of ethics and business 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.

Original signed by Jay Chalke

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Jay Chalke, Q.C.  
Public Guardian and Trustee

June 16, 2009



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Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT

We have audited the statement of financial position of the Operating Account of the Public Guardian and Trustee of British Columbia (the "PGT") as at March 31, 2009 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the PGT's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the PGT as at March 31, 2009 and the results of its operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for March 31, 2008 were reported on by another firm of chartered accountants.

Original signed by KPMG LLP

Chartered Accountants

Vancouver, Canada

June 16, 2009

KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. KPMG Canada provides services to KPMG LLP.



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**  
Operating Account

Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2009, with comparative figures for 2008

	2009	2008
<b>Financial assets</b>		
Due from the Province of British Columbia (note 3)	\$ 20,934	\$ 19,170
Accounts receivable (note 7 (a))	687	749
	21,621	19,919
<b>Liabilities</b>		
Accounts payable and accrued liabilities	875	1,239
<b>Net financial assets</b>	20,746	18,680
<b>Non-financial assets</b>		
Tangible Capital assets (note 4)	1,579	1,937
<b>Accumulated surplus</b>	\$ 22,325	\$ 20,617

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

Original signed by Jay Chalke

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Jay Chalke, Q.C.  
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, 2009, with comparative figures for 2008

	2009	2008
<b>Revenue:</b>		
Operating revenue	\$ 14,953	\$ 15,866
Funding from the Province of British Columbia (note 7 (b))	10,546	8,876
	<u>25,499</u>	<u>24,742</u>
<b>Expenses:</b>		
Salaries and benefits (note 5)	16,244	15,079
Building occupancy (note 7 (c))	1,739	1,646
Other operating and administrative costs	1,349	1,074
Computer systems and support	1,443	1,304
Amortization	734	753
Client expenditures	817	655
Legal services	838	665
Professional services	627	730
Contributions to communities (note 6)	-	40
	<u>23,791</u>	<u>21,946</u>
Annual surplus	1,708	2,796
Accumulated surplus, beginning of year	20,617	17,821
Accumulated surplus, end of year	<u>\$ 22,325</u>	<u>\$ 20,617</u>

Contingent liabilities (note 8)

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



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Operating Account

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

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Annual surplus	\$ 1,708	\$ 2,796
Net acquisition of tangible capital assets	(376)	(459)
Amortization of tangible capital assets	734	753
Increase in net financial assets	2,066	3,090
Net financial assets, beginning of the year	18,680	15,590
Net financial assets, end of year	\$ 20,746	\$ 18,680

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



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**  
Operating Account

Statement of Cash Flows (note 3)  
(Expressed in thousands of dollars)

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Due from the Province of British Columbia increased by:		
Operating:		
Annual surplus	\$ 1,708	\$ 2,796
Items not affecting cash:		
Amortization	734	753
Write-off of capital assets	32	-
Change in non-cash operating items	(302)	(84)
	2,172	3,465
Investing:		
Acquisition of tangible capital assets	(408)	(459)
Increase in due from the Province of British Columbia	1,764	3,006
Due from the Province of British Columbia, beginning of the year	19,170	16,164
Due from the Province of British Columbia, end of the year	\$ 20,934	\$ 19,170

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, 2009

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### 1. Reporting entity:

The Public Guardian and Trustee 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.

Spending from revenue in excess of the budget approved by the Province of British Columbia or from the Operating Account Balance requires Treasury Board approval.

The Operating Account reports the revenues earned from the services provided to clients of the Public Guardian and Trustee (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 information has been prepared as of March 31, 2009 for client trust accounts, which include \$769 million of net assets held in trust.

### 2. Significant accounting policies:

(a) Basis of accounting:

Management has prepared these financial statements in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (“PSAB”) of the Canadian Institute of Chartered Accountants (“CICA”).

(b) 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 are amortized over three years. All remaining assets are amortized over five years.

(c) Revenue recognition:

Operating revenues consist of commissions and fees paid by trust clients in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the Act. Commissions and 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.



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

---

**2. Significant accounting policies (continued):**

(d) Client expenditures:

Client expenditures represent amounts paid for clients' property management, advances to clients and other miscellaneous expenditures made on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(e) Employee benefit plans:

All eligible employees participate in a multi-employer defined benefit pension plan. Defined contribution plan accounting has been applied to the Plan as the PGT has insufficient information to apply defined benefit plan accounting. Accordingly, the PGT's contributions are expensed in the year in which the services are rendered and represent its total pension obligation.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. The only significant area requiring the use of management estimates is the estimation of the collectibility of accounts receivable. Actual results could differ from these estimates.

(g) Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

(h) Future accounting change:

Accounting framework for Government Organizations:

PSAB is currently evaluating the accounting framework for government organizations. The Operating Account's accounting framework may change due to conclusions reached by PSAB which is expected to be in the Operating Account's 2010 fiscal year.

(i) Segmented information:

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 disclosure is not required.





**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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**3. Due from the Province of British Columbia:**

The Public Guardian and Trustee does not maintain a separate bank account and uses the Province of British Columbia's financial and banking systems to process and record its transactions. The amount due from the Province of British Columbia represents the net cash balance available to the PGT to finance its operations.

**4. Tangible capital assets:**

			2009	2008
	Cost	Accumulated depreciation	Net book value	Net book value
Operating equipment	\$ 71	\$ 11	\$ 60	\$ 96
Furniture and equipment	160	75	85	87
Personal computer software	299	271	28	43
Computer hardware - less than \$10,000	538	369	169	149
Server computer software	2,752	1,777	975	1,338
Computer hardware - greater than \$10,000	410	380	30	58
Tenant improvement	556	534	22	44
	4,786	3,417	1,369	1,815
Server computer software under development	62	-	62	122
Tenant improvement in progress	148	-	148	-
	\$ 4,996	\$ 3,417	\$ 1,579	\$ 1,937

Cost includes fully amortized assets that are still in use of \$1,103 (2008 - \$724).



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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**5. Employee benefit plans:**

The PGT and all eligible employees contribute to the Public Service Pension Plan, a multi-employer, defined benefit, and joint trusteeship plan, established for certain British Columbia public service employees. 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 Plan is contributory, and its basic benefits are based on years of service and average earnings at retirement. 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 pension plan and the adequacy of the funding. The latest actuarial valuation as at March 31, 2008 reported a surplus.

Pension expense for 2009, included in salaries and benefits expense, was \$1,202 (2008 - \$1,094).

**6. Contribution to communities:**

In prior years, contributions were made to communities for projects that address abuse and neglect related to adult guardianship. In 2008, contributions were made to aid in activities to address and prevent abuse and neglect of vulnerable seniors under Part 3 of the *Adult Guardianship Act*. The purpose of these contributions was to raise awareness and to provide additional support in addressing and preventing abuse of vulnerable seniors.

**7. Related party transactions:**

The Public Guardian and Trustee 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 exchange amount, which reflects fair value unless otherwise disclosed in these notes.

- (a) Accounts receivable includes, in part, amounts due from estates and trusts administered by the PGT of \$551 (2008 - \$593).
- (b) A transfer of \$10,546 (2008 - \$8,876) 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) The PGT's Vancouver office, Vancouver Island regional office, and Interior/North regional office and warehouse facility are provided through



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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**7. Related party transactions (continued):**

Accommodation and Real Estate Services, a division of the Ministry of Labour and Citizens' Services. Total building occupancy payments for 2009 were \$1,739 (2008 - \$1,646). These building occupancy arrangements expire in 2011, 2011, 2012 and 2013, respectively, and have a six-month termination notice without penalty.

- (d) Certain financial and administrative services and post-employment benefits are provided centrally by various ministries and agencies of the government of British Columbia. The costs of these services are not charged to the Operating Account and are therefore not included in these financial statements.

**8. Contingent liabilities:**

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out his 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.

**9. Comparability of reported amounts:**

The Public Accounts include the summary financial statements of the Province of British Columbia and are prepared in accordance with Canadian generally accepted accounting principles as prescribed by PSAB. The financial statements of the Operating Account are prepared on a similar basis. However, accruals and adjustments not material to the summary financial statements, but material to the PGT have been included in these statements.

**10. Financial instruments and risk management:**

- (a) Liquidity risk:

Liquidity risk is the risk that the Operating Account is unable to meet its financial obligations as they come due. The PGT is a corporation established by provincial law and as such is supported by the resources of the Provincial Government. Accordingly, management does not believe the Operating Account is exposed to significant liquidity risk.



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2009

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**10. Financial instruments and risk management (continued):**

(b) 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 PGT's receivables are due from the Province of British Columbia or from client estate and trust accounts administered by the PGT. Accordingly, such receivables are not exposed to significant credit risk.

(c) Currency risk:

Currency risk is the risk that the fair value of investments will change due to changes in foreign exchange rates. The Operating Account does not hold significant financial assets or have significant financial obligations denominated in other than Canadian dollars. Accordingly, the Operating Account is not exposed to significant currency risk.

(d) Interest rate risk:

Interest rate risk is the risk that the value or cash flows of interest bearing investments will fluctuate due to changes in market interest rates. The Operating Account does not hold significant interest bearing investments. Accordingly, the Operating Account is not exposed to significant interest rate risk.

(e) 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. The Operating Account does not hold financial instruments subject to other price risk. Accordingly, the Operating Account is not exposed to significant other price risk.

(f) Fair value:

In the opinion of management, the fair value of the Operating Account's financial instruments, which include due from the Province of British Columbia, accounts receivable, and accounts payable and accrued liabilities are not materially different from their carrying value.



# ESTATES AND TRUSTS ADMINISTERED

## **MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE ESTATES AND TRUSTS ADMINISTERED FINANCIAL INFORMATION OF THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Management is responsible for preparing the accompanying financial information and is responsible for its integrity and objectivity. The financial information is prepared in conformity with the basis of accounting presented in note 2(a) to the statements and includes 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 code of ethics and business 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 information and their report follows.

Original signed by Jay Chalke

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Jay Chalke, Q.C.  
Public Guardian and Trustee

June 16, 2009



**KPMG LLP**  
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## **AUDITORS' REPORT ON STATEMENT OF NET ASSETS HELD IN TRUST AND STATEMENT OF CHANGES IN NET ASSETS HELD IN TRUST**

To the Public Guardian and Trustee of British Columbia

We have audited the statement of net assets held in trust by the Public Guardian and Trustee of British Columbia (the "PGT") as at March 31, 2009 and the statement of changes in net assets held in trust for the year then ended. This financial information has been presented in accordance with the basis of accounting presented in note 2(a) to the statements. This financial information is the responsibility of the PGT's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this financial information presents fairly, in all material respects, the net assets held in trust by the PGT as at March 31, 2009 and the changes in net assets held in trust for the year then ended in accordance with the basis of accounting described in note 2(a).

The comparative figures for March 31, 2008 were reported on by another firm of chartered accountants.

Original signed by KPMG LLP

Chartered Accountants

Vancouver, Canada

June 16, 2009

KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. KPMG Canada provides services to KPMG LLP.



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**  
Estates and Trusts Administered

Statement of Net Assets Held in Trust  
(Expressed in thousands of dollars)

March 31, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Premium money market fund (note 3)	\$ 463,060	\$ 456,282
Balanced income fund (note 4)	20,377	21,886
Balanced growth fund (note 5)	53,248	65,325
Other investments and securities (note 6)	89,363	91,557
Other financial assets (note 7)	14,494	8,220
Real property (note 8)	142,673	121,323
Other assets	5,450	1
	<b>\$ 788,665</b>	<b>\$ 764,594</b>
<b>Liabilities</b>		
Accounts payable	4,461	9,346
Mortgages and loans payable	14,794	6,629
Payable to the Public Guardian and Trustee Operating Account	551	822
	<b>19,806</b>	<b>16,797</b>
<b>Net Assets Held in Trust</b>	<b>\$ 768,859</b>	<b>\$ 747,797</b>

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

Original signed by Jay Chalke

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Jay Chalke, Q.C.  
Public Guardian and Trustee



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

Estates and Trusts Administered

Statement of Changes to Net Assets Held in Trust

(Expressed in thousands of dollars)

Year ended March 31, 2009, with comparative figures for 2008

	Premium money market fund	Balanced income fund	Balanced growth fund	Other investments and securities	Other financial assets	Real property	2009 Total	2008 Total
Investment Income:								
Pensions, benefits and settlements	\$ 77,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,241	\$ 86,911
Interest and dividends	15,965	812	2,156	2,614	-	-	21,547	25,757
	93,206	812	2,156	2,614	-	-	98,788	112,668
Expenses:								
Payments for client care and maintenance (note 9)	48,843	-	-	-	-	-	48,843	43,991
Commissions and fees paid to the Public Guardian and Trustee Operating Account (note 10)	14,211	125	258	-	-	-	14,594	15,648
Professional services (note 11)	7,178	60	160	206	-	-	7,604	7,302
Taxes paid from trust funds	5,870	-	-	10	-	-	5,880	5,802
	76,102	185	418	216	-	-	76,921	72,743
Net income (loss) before realized and unrealized gains	17,104	627	1,738	2,398	-	-	21,867	39,925
Realized and unrealized gains:								
Net realized gains (losses) on assets sold or released	-	(221)	(480)	(202)	-	3,787	2,884	24,577
Change in unrealized gain	3,558	(3,133)	(13,286)	(11,353)	-	(13,167)	(37,381)	(10,740)
	3,558	(3,354)	(13,766)	(11,555)	-	(9,380)	(34,497)	13,837
	20,662	(2,727)	(12,028)	(9,157)	-	(9,380)	(12,630)	53,762
Other changes in assets held in trust:								
Assets acquired	-	-	-	39,615	40,613	77,526	157,754	133,879
Assets purchased from trust funds	(2,328)	-	-	-	383	1,187	(758)	(751)
Assets sold or collected	-	-	-	(24,166)	(32,792)	(28,091)	(85,049)	(97,900)
Net proceeds from sale of assets	81,043	-	-	352	543	-	81,938	95,914
Transfers between investment funds	(3,655)	1,218	(49)	2,486	-	-	-	-
Assets released to clients, beneficiaries and heirs	-	-	-	(11,324)	(2,473)	(19,892)	(33,689)	(36,896)
Cash distributions to clients, beneficiaries and heirs	(87,609)	-	-	-	-	-	(87,609)	(92,783)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society (note 12)	(1,335)	-	-	-	-	-	(1,335)	(1,408)
	(13,884)	1,218	(49)	6,963	6,274	30,730	31,252	55
Net increase (decrease) in assets excluding Other assets	6,778	(1,509)	(12,077)	(2,194)	6,274	21,350	18,622	53,817
Assets excluding Other assets, beginning of year	456,282	21,886	65,325	91,557	8,220	121,323	764,593	710,776
Assets excluding Other assets, end of year	\$ 463,060	\$ 20,377	\$ 53,248	\$ 89,363	\$ 14,494	\$ 142,673	783,215	764,593
Other assets less liabilities							(14,356)	(16,796)
<b>Net assets held in trust</b>							<b>\$ 768,859</b>	<b>\$ 747,797</b>





## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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Notes to Financial Statements

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2009

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### 1. Reporting entity:

The Public Guardian and Trustee (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.

These 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 revenues, expenses and capital expenditures of the PGT.

### 2. Summary of significant accounting policies:

(a) Basis of accounting:

The basis of accounting for real property assets materially differs from Canadian generally accepted accounting principles (“GAAP”) because real property assets are carried at fair value. Under Canadian generally accepted accounting principles, real property assets are required to be carried at cost. In all other respects, this financial information has been prepared in accordance with Canadian GAAP.

This financial information has been prepared on a basis consistent with prior years and meets the requirements of Section 25 of the Act.

(b) Valuation 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.

Premium money market fund investments, balanced income fund, balanced growth fund and other investments and securities are classified as held-for-trading and are carried at fair value, as determined from valuation data provided by investment service providers.

Other financial assets are classified as loans and receivables and are carried at amortized cost.

Real property is carried at fair value, 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.

Other assets include jewellery, 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 classified as other liabilities and are carried at amortized cost.



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

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**2. Summary of significant accounting policies (continued):**

(c) Management of investments and financial risks:

As a fiduciary, the PGT is responsible for managing the assets owned by each estate and trust under his authority. The PGT must exercise the care, skill, diligence and judgement of a prudent investor for his 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 Premium Money Market Fund (“PMMF”), the Balanced Income Fund (“BIF”), and the Balanced Growth Fund (“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 BC Investment Management Corporation (“bcIMC”), an independently managed Crown corporation. Other investments are managed by private investment management firms.

The PGT maintains a risk management practice that includes quarterly monitoring of the returns and risk profile of the three common funds and other client investment portfolios. PGT corporate investment policies assign the investment asset mix strategies for client trusts based on client risk tolerance. 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%	0%	Premium Money Market Fund



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**2. Summary of significant accounting policies (continued):**

**(c) Management of investments and financial risks (continued):**

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: liquidity risk, credit risk, and market risk (comprised of interest rate risk, other price risk, and currency risk). The fair value of investments can fluctuate on a daily basis as a result of these risk exposures.

*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.

*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.

*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.

*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.

*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.



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Year ended March 31, 2009

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**2. Summary of significant accounting policies (continued):**

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual value ultimately realized may differ from these estimates.

(e) Gains and losses on assets:

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. Both realized gains/losses and changes in unrealized gains/losses are reported in the statement of operations and changes in net assets held in trust.

(f) Adoption of new accounting standards:

Effective April 1, 2008, the PGT adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 3862, *Financial Instruments – Disclosures*, and CICA Handbook Section 1535, *Capital Disclosures*. Section 3862 requires entities to provide disclosures relating to the nature and extent of risks associated with financial instruments and how these risks are managed. Refer to Note 2(c) 3, 4 and 5 for discussion of these financial risks.

Section 1535 requires enhanced disclosure of an entity's capital and how it is managed. For the estate and trust accounts administered by the PGT, the net assets held in trust comprise reported capital. Client account investments make up the net assets held in trust. Note 2(c) describes how client account investments are managed.

(g) Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation used in the current year.

**3. Premium money market fund:**

The strategic investment policy for the PMMF requires that the bond securities held must be "A low" rated or better and all short term money market instruments held must be "R-1" rated or better. The asset mix for the PMMF is 35% Canadian government guaranteed bonds with a maximum term to maturity of 5 years and 65% government and corporate money market securities with a maximum term of 15 months.



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

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**3. Premium money market fund (continued):**

*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. As at March 31, 2009, the PMMF was comprised of cash and debt instruments with credit ratings as follows:

	Amount	Percentage
Segregated bonds		
AAA	\$ 103,742	22%
AA	16,165	3
A	44,390	10
	164,297	35
Money market:		
R-1 or better	306,145	66
Overdraft	(7,382)	(1)
	298,763	65
	\$ 463,060	100%

*Interest rate risk*

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

Overdraft, with no fixed maturity	\$ (7,382)
Debt instruments:	
Less than one year	348,260
One to three years	53,201
Three years to five years	68,981
	\$ 463,060

As at March 31, 2009, 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 held in trust, would have increased or decreased, respectively, by approximately \$2.1 million.



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Year ended March 31, 2009

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**3. Premium money market fund (continued):**

*Other price risk*

The PMMF is not exposed to other price risk as all PMMF securities are fixed income instruments.

*Currency risk*

The PMMF is not exposed to currency risk as all securities are denominated in Canadian dollars.

**4. Balanced income fund:**

The BIF is a fund of funds unitized pool of investments managed by an independent investment manager. 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 asset mix is 60% fixed income securities, rated “BBB” or better for bonds or R-1” or better for money market securities, and 40% domestic and international equities, invested through indexed pooled funds.

*Credit risk and interest rate risk*

The BIF’s maximum exposure to credit risk as at March 31, 2009 is \$12.2 million (60% of portfolio value), representing the proportion of debt instruments within the BIF at March 31, 2009. The BIF’s investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration within 20% of the DEX Universe Bond Index.

The BIF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2009, 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 held in trust, would have increased or decreased, respectively, by approximately \$0.5 million.

*Other price risk*

The BIF’s maximum exposure to other price risk as at March 31, 2009 is \$8.2 million (40% of portfolio value), representing the proportion of equity instruments within the BIF at March 31, 2009. 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, 2009, with all other variables held constant, would be an increase or decrease to the fair value of the BIF, and accordingly net assets held in trust, of \$0.8 million.

*Currency risk*

The BIF’s maximum exposure to currency risk at March 31, 2009 is \$5.7 million (28% of portfolio value), representing the proportion of international equity investments within the BIF at March 31, 2009, of which \$2.9 million (14% of portfolio value) is exposed to US dollars and \$2.9 million (14% of portfolio value) is exposed to other international currencies.



## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2009

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### 4. Balanced income fund (continued):

#### *Currency risk (continued):*

As at March 31, 2009, 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 \$0.1million.

### 5. Balanced growth fund:

The BGF is a fund of funds unitized pool of investments managed by an independent investment manager. The investment objective of the BGF 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 asset mix is 40% fixed income securities, rated “BBB” or better for bonds or “R-1” or better for money market securities and 60% domestic and international equities, invested through indexed pooled funds.

#### *Credit risk and interest rate risk*

The BGF's maximum exposure to credit risk as at March 31, 2009 is \$21.3 million (40% of portfolio value), representing the proportion of debt instruments within the BGF at March 31, 2009. The BGF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration within 20% of the DEX Universe Bond Index.

The BGF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2009, if the 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 held in trust, would have increased or decreased by approximately \$1.2 million.

#### *Other price risk*

The BGF's maximum exposure to other price risk as at March 31, 2009 is \$31.9 million (60% of portfolio value), representing the proportion of equity instruments within the BGF at March 31, 2009. 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, 2009, with all other variables held constant, would be an increase or decrease to the fair value of the BGF, and accordingly net assets held in trust, of \$3.2 million.

#### *Currency risk*

The BGF's maximum exposure to currency risk at March 31, 2009 is \$21.3 million (40% of portfolio value), representing the proportion of international equity investments within the BGF at March 31, 2009, of which \$10.6 million (20% of portfolio value) is exposed to US dollars



**PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA**

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Year ended March 31, 2009

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**5. Balanced growth fund (continued):**

and \$10.6 million (20% of portfolio value) is exposed to other international currencies. As at March 31, 2009, 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 held in trust, would have decreased or increased, respectively, by approximately \$0.4 million.

**6. Other investments and securities:**

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	2009	2008
Investment portfolios	\$ 46,888	\$ 52,335
Registered plans	13,193	13,398
Other investments and securities	29,282	25,824
	<hr/>	<hr/>
	\$ 89,363	\$ 91,557

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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, other price and currency risks based on individual asset mix and holdings. In management's opinion, aggregation and presentation of these individual risk exposures would not provide additional meaningful information.

**7. Other financial assets:**

Other financial assets include funds in numerous and varied external accounts and amounts receivable.

**8. Real property:**

Real property includes land, buildings and manufactured homes. Approximately 99% (2008 - 98%) of the fair value of real properties is related to properties located in British Columbia.





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**9. Payments for client care and maintenance:**

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

**10. Commissions and fees paid to the Public Guardian and Trustee operating account:**

Commissions and fees are paid on behalf of clients for services provided by the PGT in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act.

**11. Professional services:**

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

**12. Unclaimed assets transferred to the British Columbia Unclaimed Property Society:**

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

**13. Fair values:**

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





**PUBLIC GUARDIAN AND TRUSTEE  
PARTNERSHIP CATEGORY, NORTH REGION  
PREMIER'S INNOVATION AND EXCELLENCE AWARDS**

The Public Guardian and Trustee won a Bronze Award at the 2008-2009 Premier's Awards in the category of *Partnership* - North Region for the Protocol Development Project, an interjurisdictional team involving the PGT and Indian and Northern Affairs Canada that has improved protection, security and support for First Nations individuals by promoting seamless service delivery.



PUBLIC GUARDIAN  
AND TRUSTEE OF  
BRITISH COLUMBIA

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