



Public Guardian and Trustee

2016–2017
Annual Report



Rights, choices
and security for all
British Columbians



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LETTER OF TRANSMITTAL

September 25, 2017

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

Dear Attorney General:

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

This report covers the period April 1, 2016 to March 31, 2017.

Yours truly,

Catherine M. Romanko
Public Guardian and Trustee



MESSAGE FROM THE PUBLIC GUARDIAN AND TRUSTEE

I am pleased to present the Annual Report of the Public Guardian and Trustee (PGT) for the period April 1, 2016 to March 31, 2017.

The PGT made significant progress this year in putting our strategic plan for improved and modernized client service into action. With critically needed capital funding provided by government, we were able to proceed with the acquisition and development of a new trust accounting system. This new system will replace 30 year old legacy technology which has long been a barrier to effective service delivery. Among expected benefits, the new system will meet modern trust accounting standards and will enable more meaningful reporting to clients about their estate and trusts under PGT administration. We look forward to full implementation of the new system over the coming year.

In addition to modernizing our systems technology, we also continued to build the capacity of our organization to serve clients. Relying on feedback from clients, stakeholders and staff, we streamlined and centralized administrative processes so that staff would have more opportunity to focus on client issues and interact with clients and their families. We also enhanced our training and skills development by adopting a “train the trainers” approach to learning and by creating PGT specific courses for staff on subjects such as effective communications, ethical decision making, the protection of privacy and a variety of legal and financial matters. Continued development of staff expertise and skills will help ensure that clients who rely on the PGT for management of increasingly complex legal, financial and property matters receive the assistance they need and expect.

Over the course of the year, the PGT also contributed to public awareness, policy development and law reform initiatives to promote client interests. PGT staff met with representatives of banks and trust companies to talk about ways to reduce the incidence of financial abuse of vulnerable persons. As a member of the Provincial Registered Disability Savings Plan Action Group, the PGT contributed to the development of recommendations made to the federal government to increase the uptake of Registered Disability Savings Plans for eligible British Columbians. We consulted with members of the online Civil Resolution Tribunal regarding



the protection of the legal interests of minor children and incapable adults who may become involved in legal proceedings before the Tribunal. We collaborated with the Adoptive Families Association of British Columbia and the Ministry of Children and Family Development (MCFD) to create an interactive online financial literacy training module for young adults which was released to the public in March. As a member of the Canadian National Association of Public Trustees and Guardians, the PGT hosted our counterpart organizations from every province and territory at a conference to discuss best practices in public guardianship and trusteeship.

On the legislative front, we collaborated with representatives of the Ministries of Justice and Children and Family Development to make recommendations to government for a modern statutory definition of public guardianship of children to clarify the law about the important roles carried out by the PGT as property guardian and MCFD and Delegated Aboriginal Agencies as guardian of person of children in care.

Striving to meet our performance targets is a challenge which PGT staff take very seriously. Our annual report of our performance is one way in which we account to our clients and the public for meeting the statutory duties we are given under provincial law to protect the interests of some of British Columbia's most vulnerable individuals. I am pleased to report that this year the PGT again met or exceeded targets for all 20 performance measures on which we report publicly, an achievement confirmed by independent auditors.

This has been a year of positive change for the PGT as we continue to modernize and develop our organization. I want to thank the members of our Investment Advisory and Audit Advisory Committees who have generously volunteered their time to provide us with valuable advice as we move forward with our plan for improved service.

I also want to recognize the men and women who work for the PGT across the province for their unwavering commitment to our clients. I look forward to working together in the coming year to serve those British Columbians who rely on us for assistance.

Catherine M. Romanko
Public Guardian and Trustee





**2016–2017
PERFORMANCE REPORT**

ACCOUNTABILITY STATEMENT

Under my direction, the 2016–2017 Performance Report has been properly prepared and fairly stated, in all material respects, based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *Public Guardian and Trustee Act* and on the Performance Reporting Principles For the British Columbia Public Sector (collectively, the “Criteria”). I am accountable for the results achieved and how actual performance has been reported; complying with the requirements of the Criteria; designing, implementing and maintaining internal control relevant to the preparation and presentation of the Performance Report in accordance with the Criteria and free from material misstatement, whether due to fraud or error; the selection of the performance measures included in the Performance Report; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the PGT’s Performance Report. The information presented in the Performance Report reflects the actual performance of the Public Guardian and Trustee for the 12 months ended March 31, 2017.

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

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

Catherine M. Romanko
Public Guardian and Trustee

September 25, 2017



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

Independent Auditor's Report on the 2016–2017 Performance Report of the Public Guardian and Trustee of British Columbia

To:

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

We were engaged by the Public Guardian and Trustee of British Columbia (PGT) to audit and report on the 2016–2017 Performance Report (Performance Report) of the PGT for the year ended March 31, 2017 and the PGT's Accountability Statement (statement) thereon as set out on page 8, in the form of an independent reasonable assurance conclusion about whether the PGT's statement that the Performance Report is properly prepared and fairly stated, in all material respects, based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *Public Guardian and Trustee Act (PGT Act)* and on the Performance Reporting Principles For the British Columbia Public Sector (BC Performance Reporting Principles) (collectively referred to herein as the Criteria) is fairly stated.

Our conclusion excludes the following elements of the Performance Report: The Performance Report necessarily contains a number of representations by the PGT concerning the appropriateness of the PGT's goals, objectives, targets, explanations of the adequacy of planned and actual performance, and expectations for the future. These are provided to provide context to assist the reader in evaluating the plans and performance of the PGT. Such representations are the opinions of the PGT and, given their necessarily subjective nature and also the future orientation of some of the representations, such representations inherently cannot be subject to independent audit verification. Further, as described in the Performance Report section entitled Linking Resources to Performance, the tables and related information on pages 60 to 69 of the Performance



Report are derived using an allocation model developed to reflect approximate usage of key services and other segmentation methodologies that are beyond the scope of this audit; accordingly, with respect to the tables and related information on pages 60 to 69 of the Performance Report, our audit engagement was limited to providing reasonable assurance that the historical financial information in the Performance Report is consistent with the audited financial statements contained in the PGT's 2016–2017 Annual Report. Accordingly, our opinion set out below excludes the effect of adjustments, if any, which we may have determined to be necessary had we been able to independently verify the representations described in this paragraph, and had we performed a more extensive examination of the tables and related information on pages 60 to 69 of the Performance Report.

Public Guardian and Trustee of British Columbia Responsibilities

The PGT is responsible for properly preparing and fairly presenting the Performance Report free from material misstatement in accordance with the Criteria, and for the information contained therein. The PGT is also responsible for preparing the accompanying statement thereon as set out on page 8.

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

Our Responsibilities

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



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

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

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

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



Opinion

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

In our opinion, the PGT's statement, that the Performance Report of the PGT for the year ended March 31, 2017 is properly prepared and fairly presented in all material respects based on the Criteria, is fairly stated.

Characteristics and Limitations of the Performance Report

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

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada
September 25, 2017



Appendix to the Independent Auditors' Report on the 2016–2017 Performance Report of the Public Guardian and Trustee of British Columbia

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

BC Performance Reporting Principle 1 – Explain the Public Purpose Served

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

BC Performance Reporting Principle 2 – Link Goals and Results

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

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

The PGT's April 1, 2016 – March 31, 2019 Service Delivery Plan identifies the PGT's five strategic goals related to the three aspects of its mandate, one to three specific objectives related to each goal, and related specific performance measures. The Performance Report repeats this information from the Service Delivery Plan, and provides in a clear, concise format the PGT's actual results for each performance measure, and the meaning and importance of each performance measure and result. The Performance Report also provides related contextual information regarding factors influencing the selection of goals, objectives, and performance measures, and factors influencing the actual results.



Appendix to the Independent Auditors' Report on the 2016–2017 Performance Report of the Public Guardian and Trustee of British Columbia

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

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

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

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

BC Performance Reporting Principle 6 – Provide Comparative Information

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



Appendix to the Independent Auditors' Report on the 2016–2017 Performance Report of the Public Guardian and Trustee of British Columbia

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, 2017 as required by the statutory reporting requirements and deadline specified in subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act*. Our related independent auditors' report is provided as required by section 26 (1) (b) of the *PGT Act*. Subject to the limitations described in our independent auditors' report, our opinion relates to the credibility of the information in the Performance Report by providing an opinion, based on our audit, as to its proper preparation, in all material respects, based on the Criteria.

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

The Performance Report explains the basis for selecting the aspects of performance on which it focuses and the rationale for the performance measures reported upon. The Performance Report also provides concise explanations of how most performance measures are derived including, where relevant, data sources and the period covered. The process for selecting goals, objectives, and targeted results for performance measures, and how it is evolving, is described. Any significant changes in the way performance is measured or presented are described. The PGT provides an accountability statement describing her accountability for the Performance Report, and representing (among other things) that the Performance Report has been properly prepared and fairly stated, in all material respects, based on the requirements of the Criteria, and that it reflects the actual performance of the PGT for the 12 months ended March 31, 2017.

VALUES

INTEGRITY

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

STAFF SUPPORT

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

INNOVATION

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

OPENNESS

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

CLIENT CENTRED SERVICE

We constantly strive to provide quality service to our clients.

TEAMWORK

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

RESPECT

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

MANDATE

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

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

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

Administer the estates of deceased and missing persons.

During 2016–2017, the PGT provided services through 268 full time equivalent employee positions to approximately 26,700 clients and administered approximately \$974 million of trust assets. When managing the financial interests of an individual, estate or trust, the PGT is bound by both common law and statutory fiduciary principles associated with acting as a trustee.

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

The PGT self funds a large percentage (67% in 2016–2017) of its actual expenditures through fees charged on client income and assets and fees for service with supplementary voted funding that supports public services such as regulatory and oversight activities.

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

VISION

Rights, choices and security for all British Columbians.

CHILD AND YOUTH SERVICES



16,006
clients¹

44
staff³

\$184
million
assets²

SERVICES TO ADULTS



8,257
clients¹

\$555
million
assets²

110
staff³

ESTATE AND PERSONAL TRUST SERVICES



2,753
clients¹

\$235
million
assets²

28
staff³

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

² Total value of assets under administration (at March 31, 2017).

³ Full time equivalent employee positions.



STATUTES

Numerous acts set out the powers and duties of the PGT.

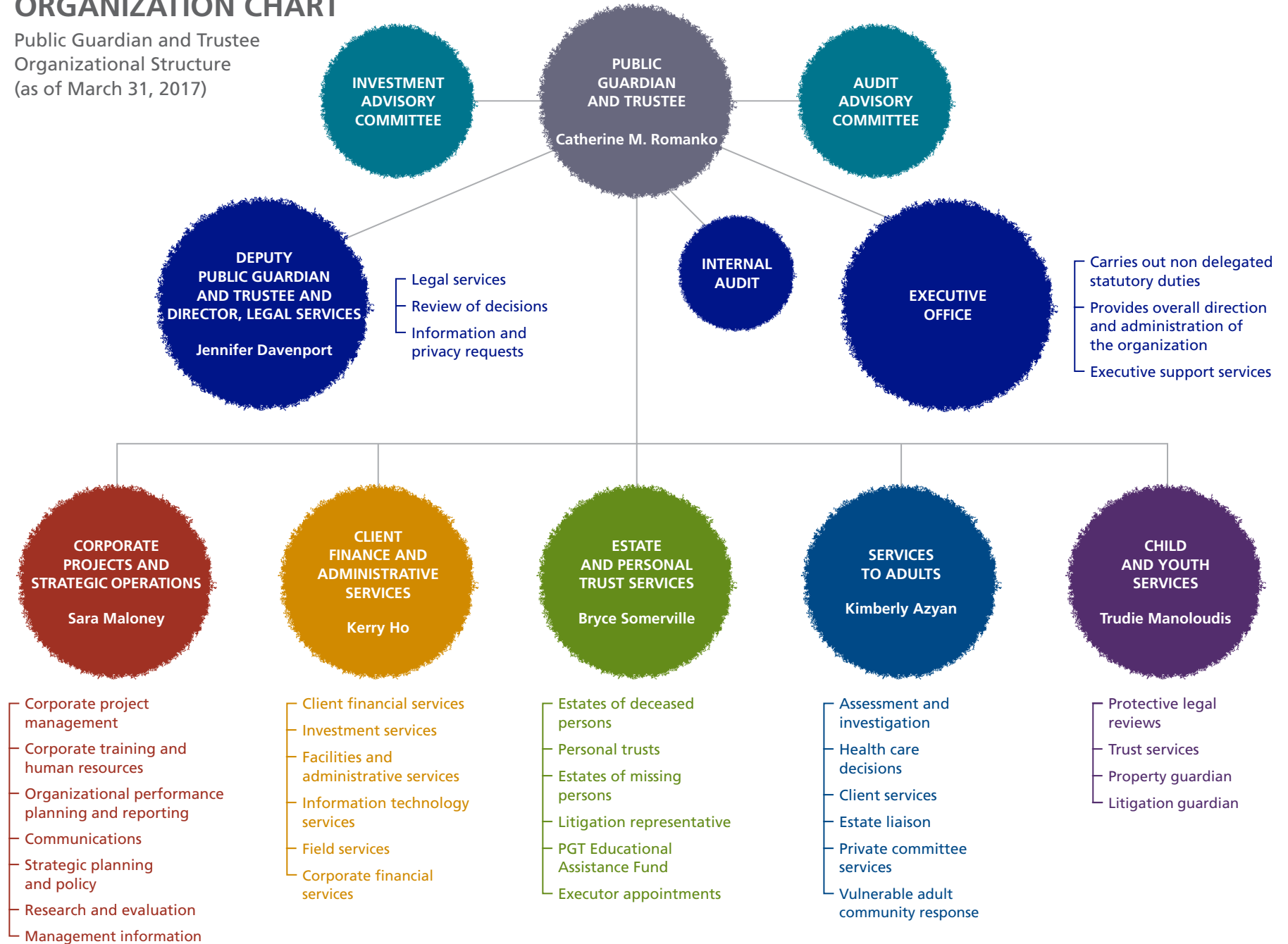
Key provincial statutes include:

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

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

ORGANIZATION CHART

Public Guardian and Trustee
Organizational Structure
(as of March 31, 2017)



ACCOUNTABILITY FRAMEWORK

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

Catherine M. Romanko was appointed as the Public Guardian and Trustee for a six year term effective October 10, 2011. The PGT can serve a maximum of two terms.

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

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

Two advisory committees assist the PGT. The **Investment Advisory Committee** is a statutory committee established under the *Public Guardian and Trustee Act* to advise on strategic investment policy. The **Audit Advisory Committee** is established by the PGT to advise on key aspects of internal and external audit, accountability and internal controls.

Performance Planning and Reporting

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

Section 22 of the Public Guardian and Trustee Act requires the PGT to prepare an annual three year service delivery plan and deliver it to the Attorney General no later than December 31 for the upcoming three fiscal years.

If approved by the Attorney General, the PGT must submit the SDP to the provincial Treasury Board for approval. The *Public Guardian and Trustee Act* specifies SDP content.

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

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

Corporation Sole

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

CLIENTS, STAKEHOLDERS AND SERVICE PARTNERS

PGT Primary Client Groups

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

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

Key PGT External Relationships

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

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

Key PGT Private Sector Relationships

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

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

PROGRAM AREAS

The PGT serves clients primarily through three broad program areas:

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

These are supported by:

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

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

CHILD AND YOUTH SERVICES

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

Property Guardian

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

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

Trustee

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

PROGRAM AREAS

The PGT is required to act as trustee for certain types of funds payable to minors while the *Family Law Act* provides that other funds may be paid directly to parents or guardians.

Protective Legal Reviews

The PGT protects the legal interests of minors by reviewing proposed settlements of claims for unliquidated damages brought on their behalf. The settlements relate to a variety of claims such as the wrongful death of a parent or guardian, medical malpractice or motor vehicle

accidents. These reviews help ensure that the settlements are reasonable and in the best interests of the minors.

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

Child and Youth Services	
Total staff*	44 positions
Total clients**	16,006
Property guardian	5,080
Trustee	9,064
Protective legal reviews	2,936
Litigation Guardian (non property guardian)	94
Total value of assets under administration (at March 31, 2017)	\$184 million
Investments and securities	\$179 million
Real property	\$5 million
Other	\$0.3 million

*Staff refers to full time equivalent employee positions.

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

PROGRAM AREAS

SERVICES TO ADULTS

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

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

Assessment and Investigation

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

Health Care Decisions

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain

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

Client Services

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

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

PROGRAM AREAS

Estate Liaison

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

Private Committee Services

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

Vulnerable Adult Community Response

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

The *Adult Guardianship Act* further provides authority for the PGT to organize community networks to provide

support and assistance to abused and/or neglected adults. The PGT accomplishes this through coordinating a range of province wide standing committees and special events involving service partners and other stakeholders with an interest in issues concerning the reduction of abuse and neglect of vulnerable adults.

Services to Adults	
Total staff*	110 positions
Total clients**	8,257
Assessment and investigation	2,300
Client services	3,671
Health care decisions	564
Estate liaison	944
Private committee services	2,250
Adult legal monitoring	491
Total value of assets under administration (at March 31, 2017)	\$555 million
Investments and securities	\$378 million
Real property	\$166 million
Other	\$11 million
*Staff refers to full time equivalent employee positions.	
**Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.	

PROGRAM AREAS

ESTATE AND PERSONAL TRUST SERVICES

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

Administration of Estates of Deceased Persons

The PGT administers estates when the executor, intestate successor, beneficiary or other eligible person is not able or willing to do so. The PGT also administers estates of deceased persons when the intestate successor or beneficiary is a client under authority in another PGT division such as Services to Adults or Child and Youth Services. In addition, the PGT may agree to be appointed as the executor under a will. The PGT filed 272 probate applications with the Supreme Court of BC in 2016–2017.

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

Personal Trusts

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

Executor Appointments

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

Litigation Representative

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

PGT Educational Assistance Fund

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

Under the terms of the trust, applicants are assessed on their grades, financial needs, career goals, personal commitment and other sources of funding. Annual funds available for distribution are dependent on rates of investment return. The trust had a capital value of \$956,462, at December 31, 2016. In 2016–2017, there were 27 applicants and bursaries totaling \$16,600 awarded to 14 individuals.

PROGRAM AREAS

Estates of Missing Persons

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

Estate and Personal Trust Services	
Total staff*	28 positions
Total clients**	2,753
Deceased estates	2,221
Trusts	235
Litigation representative	29
PGT educational assistance fund	27 applicants
Estates of missing persons	2
Executor appointments	291
Total value of assets under administration (at March 31, 2017)	\$235 million
Investments and securities	\$182 million
Real property	\$42 million
Other	\$11 million

*Staff refers to full time equivalent employee positions.

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



PROGRAM AREAS

CLIENT FINANCE AND ADMINISTRATIVE SERVICES

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

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

Client services include collecting receivables, making disbursements, providing investment expertise and investigating, securing and administering physical assets.

Client Financial Services

Client Financial Services has ongoing responsibility for managing client receivables, disbursements, assets and liabilities.

Investment Services

Investing client assets is a core PGT responsibility and by statute, the PGT is required to act as a prudent investor. The PGT assesses client needs to determine investment goals and objectives to develop personalized investment plans for clients with more than \$50,000 in net financial assets.

Field Services

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

Information Technology Services

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

Corporate Financial Services

Corporate Financial Services provides budget planning, development and monitoring services as well as corporate payment processing for the PGT. Corporate Financial Services also supports Treasury Board submissions, assisting with proposals for new legislation and leading the organization in implementing corporate wide financial initiatives.

Facilities and Administrative Services

Facilities and Administrative Services provides corporate facilities, mail, records and administrative services required by the PGT. In 2016–2017, the PGT mailroom logged nearly 35,000 incoming cheques.

PROGRAM AREAS

LEGAL SERVICES

PGT Legal Services are delivered by a complement of 13.5 staff lawyer positions 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 areas of practice, the staff lawyers provide advice to the PGT when acting on behalf of clients in a representative capacity. In this role, they may appear at mediations or in civil proceedings on behalf of PGT clients or may instruct outside counsel acting on behalf of clients in a variety of civil matters.

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

At March 31, 2017, PGT staff lawyers were providing legal advice and services to clients that involved acting on over 3,200 legal issues.

Other in house counsel carry out a variety of duties to support PGT statutory obligations, including providing legal oversight of PGT involvement in advancing client interests in class proceedings, managing the overall provision of legal services to PGT clients by outside

counsel and coordinating compliance with access to information and privacy legislation. In 2016–2017, the PGT responded to 36 requests for information and five court orders for production of records.

In 2016–2017, the PGT investigated clients' eligibility for settlement payments in 13 class actions and filed claims where appropriate. The PGT continues to monitor 11 class actions and/or potential class actions on behalf of clients.

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

PROGRAM AREAS

CORPORATE PROJECTS AND STRATEGIC OPERATIONS

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

PARTNERSHIPS AND OUTREACH

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

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

In 2016–2017, the PGT contributed its expertise through extensive partnership and outreach activities:

Formal Committees

- Member, Children’s Forum, an information sharing forum for senior officials with an interest in child protection and related services;
- Member, National Association of Public Trustees and Guardians, an association of Canadian provincial/territorial Public Trustees, Public Guardians and equivalents, committed to excellence in public trusteeship and guardianship and focused on advocacy, policy reform, awareness and shared best practices in the interests of clients;
- Member, Estate Planning Council of Vancouver, an association of estate planning professionals who meet to share ideas and work experiences related to various areas of estate planning;
- Member, National Guardianship Association, a USA organization dedicated to advancing the standard of excellence in guardianship;
- Member, Youth Futures Education Advisory Fund Committee, which guides the Youth Futures Education Fund that provides financial assistance to youth who were in government care and are pursuing a post secondary education;
- Host, BC Adult Abuse/Neglect Prevention Collaborative, a province wide community/government group working towards continuous improvement in the BC response to adult abuse, neglect and self neglect;

PROGRAM AREAS

- Cochair, Indigenous Financial Literacy Committee, a partnership including Indigenous communities, the federal government and private sector organizations committed to sharing knowledge, materials and training to improve financial literacy for Indigenous children, youth, adults, families and elders in BC;
- Facilitator, Adult Guardianship Provincial Advisory Committee, including representatives of Health Authorities and CLBC to coordinate adult protection efforts on a provincial level;
- Member, Council to Reduce Elder Abuse, established to facilitate implementing the provincial government plan “Together to Reduce Elder Abuse – BC’s Strategy” and chair of the Financial Abuse Action Group subcommittee;
- Member, Steering Committee for the provincial Services to Adults with Developmental Disabilities initiative;
- Member, Call for Less Antipsychotics in Residential Care (CLeAR), an initiative facilitated by the BC Patient Safety & Quality Council, to reduce the inappropriate use of antipsychotic medications in BC residential care facilities;
- Member, Advisory Committee for the Canadian Network for the Prevention of Elder Abuse “Knowledge Sharing Project” to create a national, interactive, best practices hub for addressing abuse of older adults;
- Member, Registered Disability Savings Plan Action Group, an advisory committee to government which works to realize government’s Accessibility 2024 commitment to build and maintain BC’s position as the

province with the highest per capita uptake of RDSPs in Canada; and

- Partner, BC Child and Youth in Care Week, a joint partnership between the PGT, MCFD, the Federation of BC Youth in Care Networks, Adoptive Families Association, Federation of Aboriginal Foster Parents, BC Federation of Foster Parents Associations and the BC Association of Aboriginal Friendship Centres to highlight the accomplishments and talents of children and youth in government care.

Major Consultations

- Participated in law reform initiatives including:
 - Consultation with the Ministry of Health on potential implementation of *Health Care (Consent) and Care Facility (Admission) Act* legislation;
 - Consultation to consider potential implementation of Part 2 of the *Adult Guardianship Act* related to court ordered guardianship; and
 - Consultation with Ministry of Justice and Ministry of Children and Family Development to develop a new definition of public guardianship of minors.
- Consultation with the Civil Resolution Tribunal about concerns regarding oversight of the legal interests of minors and incapable adults involved in matters before the Civil Resolution Tribunal;
- Engaged with Insurance Corporation of British Columbia (ICBC) representatives to discuss matters of mutual interest concerning the settlement of motor vehicle related claims for children and youth;

PROGRAM AREAS

- Consultation on “Vancouver Youth Aging Out of Care” an initiative of the Collective Impact Forum, an information sharing forum focused on improving outcomes for youth transitioning out of government care, sponsored by the City of Vancouver, the Federation of Community Social Services of BC and the Vancouver Foundation;
- Continued to liaise with CLBC on a range of projects relating to incapable adults including information sharing and related data matching;
- Consultation with Employment and Social Development Canada to begin negotiations on entering into an information sharing agreement; and
- Continued discussions with representatives of national and provincial financial institutions on addressing issues related to financial abuse of vulnerable persons.

Educational Outreach

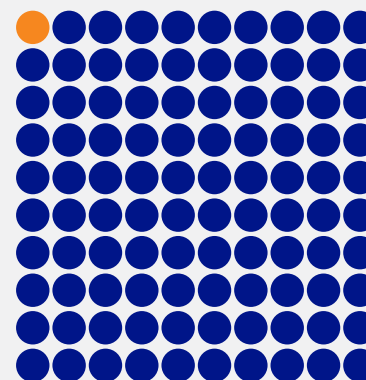
- Facilitated an education event between staff from financial institutions, Designated Agencies, police and the PGT to enhance the understanding of each organization’s role in responding to financial abuse;
 - Contributed to professional development programs and conferences sponsored by:
 - Canadian Bar Association;
 - Continuing Legal Education Society;
 - Estate Planning Council of Vancouver; and
 - Pacific Business and Law Institute.
- Contributed to updating *A Guide to the Certificate of Incapability Process under the Adult Guardianship Act*;
 - Provided training regarding the role of the PGT, transition planning and financial literacy to the annual MCFD Guardianship Forum gathering of social workers, with an emphasis on the importance of working collaboratively to support the successful transition of youth leaving government care;
 - Provided quarterly training on the role of the PGT to new social workers through the Indigenous Perspectives Society;
 - Facilitated a broad range of financial literacy workshops for youth, including those served by the Vancouver Aboriginal Child & Family Services Society, participated in the MCFD/YWCA Strive and Skills Max for Youth programs and provided workshops to youth at Covenant House, Broadway Youth Resource Centre and the Cedar Walk and Aries programs facilitated by the Urban Native Youth Association and the Vancouver School Board;
 - Made submissions to the *Power Pages* magazine issued by the Federation of BC Youth in Care Networks; and
 - Participated in National Aboriginal Day activities in Vancouver and the provincial Gathering Our Voices Aboriginal Youth Conference.

PROGRAM AREAS

PGT Summary Indicators	
Total staff*	268 positions
Total clients**	26,707
Total value of assets under administration (at March 31, 2017)	\$974 million
Investments and securities	\$739 million
Real property	\$213 million
Other	\$22 million
Business Indicators	
Client funds invested	\$739 million
Client bills paid	\$189 million
Client receipts processed	\$189 million
Other Indicators	
Clients with trust accounts	13,070
Real properties sold	114
Income tax filings	5,149
*Staff refers to full time equivalent employee positions.	
**Client counts reflect the number of individual clients served both by individual divisions and by major business lines throughout the year. Because of this, the PGT total is typically less than the sum of the divisional totals as clients may require service in more than one division.	

●
268

Total staff positions



26,707

Total clients**

\$974 million***

***Total value of assets under administration (at March 31, 2017)

INVESTMENTS

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

The **Premium Money Market Fund** is intended to preserve capital for risk averse clients and provide liquidity and an improved rate of return for short term investments. (Fund size \$432 million at March 31, 2017).

The **Balanced Income Fund** is aimed at generating income with some growth. It is used most frequently by adult clients with medium term investment time horizons. (Fund size \$40 million at March 31, 2017).

The **Balanced Growth Fund** is aimed at long term capital growth. It is used most frequently by clients with longer investment time horizons. (Fund size \$114 million at March 31, 2017).

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

The following table provides comparisons of rates of return for PGT pooled funds and standard alternatives as of March 31, 2017.

PGT Pooled Funds	Comparisons*
Premium Money Market Fund	
1.08% (1 year)	91 day Government of Canada Treasury Bill: 0.48%
	3 year Guaranteed Investment Certificate: 1.60%
	Chequing account interest: 0.0%
Balanced Income Fund	
7.41% (5 years annualized)	Standard industry portfolio benchmark: 7.07% (5 years annualized)
Balanced Growth Fund	
9.79% (5 years annualized)	Standard industry portfolio benchmark: 9.33% (5 years annualized)
*Sources: Premium Money Market Fund – BC Investment Management Corporation; GOC Treasury Bill – RBC Investor and Treasury Services; GIC – CIBC Wood Gundy; Chequing account – CIBC Wood Gundy; Balanced Income Fund and Balanced Growth Fund – RBC Investor and Treasury Services.	

SOCIETAL TRENDS AND OTHER FACTORS

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

A. Improvement of Client Service Through the Use of Modern Technology

The PGT continues to modernize its information technology systems as part of the strategic plan to optimize client service delivery. The PGT operates in a traditional paper based environment supported by legacy information technology that has limited ability to provide clients and stakeholders with the information they require. Significant gaps exist between client needs and legitimate expectations and the organization's ability to respond to them. Replacing outdated technology systems will enable the PGT to improve operations and achieve better client outcomes. PGT clients and service partners increasingly expect technology facilitated services similar to that which they receive elsewhere. For example, clients expect to be able to review the status of their trust accounts online and submit information through a secure access portal. The PGT's strategic plan provides for building the necessary technology infrastructure to increase capacity to meet these expectations. The PGT is in the process of implementing the first priority of its strategic plan by replacing its existing legacy trust accounting system. The PGT continues to work closely with the BC Chief Information Officer and the Ministry of Justice in following a leading edge approach in implementing a new system which is scheduled to be in operation in 2017–2018.

A document management system is a critical need for the PGT. The PGT is required to manage and retain significant volumes of legal and financial client records over periods

that can last for decades. A document management system will mitigate risk and help ensure efficient access to critical client information. To this end, the PGT has developed and submitted to government a business case to develop and implement a document management system.

B. Response to the Increasing Complexity of Client Related Issues

Demographic shifts impacting society as a whole are also changing the composition and service needs of PGT clients. As the proportion of seniors continues to increase, so does the demand for investigations involving allegations of abuse, neglect and self neglect of adults and referrals to determine if PGT services are required to administer the estates of deceased persons.

Due to changes in the provincial real estate market, the PGT is administering more higher value estates. At the same time, the PGT is required to investigate more referrals to establish if limited or modest value estates can be provided with a government supported indigent burial. Managing the assets of adult clients or investigating the assets of deceased estates is increasingly complex as client assets and support systems may be located outside of the province and assets may be held online in digital formats. Managing these types of estates increasingly involves sophisticated debt management services and electronic search expertise.

SOCIETAL TRENDS AND OTHER FACTORS

Increased immigration to BC has created a need to provide PGT services in a culturally appropriate manner. The PGT provides service in situations involving considerable family conflict and staff must be aware of and sensitive to the implications of cultural and linguistic differences. In addition, the PGT continues to build its ability to provide culturally sensitive services to Indigenous clients in order to work effectively with Indigenous communities.

Public awareness of the need to provide supports to youth leaving continuing care at age 19 is growing. These young people are at a greater disadvantage than youth who continue to be supported by their families and social networks. In recent years, government policy has moved towards improving the supports available to these youth by extending supports for those who are enrolled in education or life skills programming between the ages of 19 and 24. By statute, PGT services as property guardian for children in continuing care end when a child attains the age of 19 years. In spite of this limitation, the PGT has been able to extend transitional support to youth leaving care, particularly in the areas of limited financial management and financial literacy training. The PGT has also advocated for law reform that would allow it to provide trustee services for capable property guardian clients after they reach majority by joint agreement between the former clients and the PGT. The PGT seeks to strengthen options for youth leaving care by participating in the Youth Futures Education Fund Advisory Committee and by joining the Registered Disability Savings Plan Action Group, a component of the government's Accessibility 2024 plan.

C. Participation in Law Reform to Promote Client Interests

The PGT strives to promote the best interests of its clients by advocating for law reform and participating in consultations on proposed legislative amendments which may impact PGT clients. The PGT continues to advocate to bring into force the remaining unproclaimed provisions of the *Adult Guardianship and Planning Statutes Amendment Act, 2007* which would amend the *Adult Guardianship Act* and create a modern and comprehensive adult guardianship legal framework. The amendments relate primarily to the court process for appointing a guardian for an adult, a process in which the PGT has an oversight role. Implementing this legislation will create new or expanded statutory duties for the PGT, creating an incremental resourcing pressure which will have to be resolved before the legislation is brought into force.

Government has announced its intention to bring into force certain provisions of the *Health Care (Consent) and Care Facility (Admission) Act*, which will create a legal consent scheme for the admission of adults to care facilities in BC. Under this law, the PGT will have a new role in authorizing temporary substitute decision makers to consent to admissions or to make decisions regarding admission to care facilities on behalf of incapable adults who have no legal representatives. The PGT will require appropriate resourcing to meet these new statutory obligations and is working with government to secure required resources.

SOCIETAL TRENDS AND OTHER FACTORS

In addition, the PGT continues to work with government on the development of a modern statutory definition of public guardianship for children and youth so that the authority of the PGT as property guardian for children in care is clearly defined and transparent.

D. Response to Changing Service Expectations of Clients and Stakeholders

In developing its strategic plan, the PGT conducted focused consultations with clients and stakeholders who identified a wide range of opportunities for improved service delivery by the PGT. Clients and stakeholders expressed the desire for greater clarity about the role of the PGT and for clear communication from the PGT about how the PGT's involvement will impact them, what they can expect from the PGT and the associated timelines. As a result the PGT is changing business processes to improve client services. Though many of the proposed solutions for enhancing client services are technology based, the PGT is also considering solutions to address people and process concerns. Improving business processes, enhancing skills and knowledge training for employees, enhancing operational controls and making changes to the PGT organizational structure are all part of the PGT plan for transformation of service delivery.

The PGT continues to work with key partners to facilitate a community response to preventing and responding to reports of abuse, neglect and self neglect of vulnerable adults. For example, the PGT is working with CLBC on several initiatives to support the independence and protection of vulnerable adults with developmental disabilities.

The PGT is also striving to meet increasing demand for financial literacy training for PGT child and youth clients that will help prepare them to manage their own finances as adults. The PGT secures financial benefits to which its child and youth clients are entitled, resulting in many of these young clients having some financial resources as they become adults and move on to independent living. Financial literacy is an essential life skill and the PGT continues to place a major emphasis on providing this training.

The PGT is also coguardian with several Aboriginal Child and Family Service Agencies that serve a significant number of children in continuing care. As the Ministry of Children and Family Development is considering the additional devolution of guardianship responsibilities directly to Indigenous communities or Delegated Aboriginal Agencies, the PGT may be required to develop relationships with an increasing number of coguardians. As property guardian for children in continuing care, the PGT must provide culturally competent service to its Indigenous child and youth clients.

The PGT continues to collaborate with its counterparts in other Canadian provinces and territories through the National Association of Public Trustees and Guardians in seeking to develop best practices.

E. Enhancing Employee Engagement

The PGT as administrator of deceased estates or as protector of the financial interests of incapable adult clients may be resisted as family conflict is frequently an element of delivering these complex services to British Columbians. Engaged PGT employees with specialized expertise are the key resource to providing quality client service. It is essential that the PGT maintain public confidence in its services if it is to be effective in fulfilling its mandate.

The PGT is committed to developing motivated, skilled and accountable leaders and staff. It is also committed to providing a safe, healthy and respectful workplace. The PGT continues to make improvements in the workplace environment by developing and implementing action plans in response to staff comments made in the provincial Work Environment Survey. The PGT human resources plan continues to prioritize an extensive staff training program to help ensure that consistent, relevant and ongoing training is available to support staff. Internal communications have also been enhanced to support staff engagement.

Recruiting and retaining skilled employees in the legal, financial, health and social services sectors remains a critical challenge for the PGT. This challenge is further complicated by the need to incorporate heightened regulatory and accountability requirements, increased client and service partner expectations and competition from other employers who may be offering more attractive salaries, flexible work options and lower

caseloads. Succession planning is a primary focus as business continuity requires that qualified employees are available and in place to carry out PGT roles and responsibilities. By fostering an environment where staff can increase knowledge and skills, the PGT is able to promote the development of its employees and transfer corporate knowledge for key positions.

CONTEXT FOR 2016–2017 PERFORMANCE RESULTS

Development of PGT Goals, Objectives and Performance Measures

This document reports on PGT performance in year one of the 2016–2019 Service Delivery Plan (SDP) which was approved by the Attorney General. The 2016–2017 budget was funded as set out in the plan. Goals, objectives and performance measures were implemented during 2016–2017 as presented in the SDP and are reported upon in this report.

This is the first year that the PGT is reporting on strategic goals that were revised and presented in the 2016–2019 SDP. This new articulation of the goals offers a broader perspective on PGT performance by focusing on how the PGT will achieve its mandate in addition to particulars of the work itself. The previous goals have been retained and incorporated as objectives within the newly articulated strategic goals.

Goals The PGT’s strategic goals are to:

1

Optimize client service delivery;

2

Contribute to a fair and just society;

3

Achieve success through relationships;

4

Demonstrate accountability and transparency; and

5

Engage and empower staff.

Accountability requirements under section 22 (2) (c) of the *Public Guardian and Trustee Act* require that the PGT describe major program areas and specify “the performance targets and other measures by which the performance of the program area may be assessed.” With this new articulation of the goals, the “other measures”, which were not previously highlighted, are now more evident.

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

As a fiduciary, a significant proportion of PGT activity involves property and financial management. The 2016–2017 PGT Performance Measurement Framework

CONTEXT FOR 2016–2017 PERFORMANCE RESULTS

linking the goals, objectives and measures (pages 47-59) demonstrates that Goal 1 has the greatest number of associated measures and touches almost every area of the organization and its activities.

Objectives

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

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

Goals 3, 4 and 5 do not have specific measures attached to them. The PGT reports on these goals more broadly throughout this Performance Report.

Performance Measures

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

factors include the need for client, service partner, stakeholder and public confidence in PGT expertise.

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

Due to the planning and reporting cycle, targets for the first year of the plan reflect the PGT assessment of appropriate and attainable service levels based on its best judgment at the time the targets were established. Results are continually assessed to determine if measures should be continued, targets should be adjusted or if resources could be reassigned to other service areas. Performance measures and related current and future year targets appear in this report as they were approved in the 2016–2019 PGT Service Delivery Plan.

The PGT has a statutory obligation to report on all program areas. This 2016–2017 performance report includes 20 performance measures covering all program areas.

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

RISK MANAGEMENT

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

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

The PGT Executive Committee reviewed and updated the PGT risk management framework in September 2016. While major themes remain largely consistent with those of previous years, this year there was a significant change to the major risk to the organization. Previously, the biggest risk to the organization was records management. To mitigate this risk, the PGT reviewed and updated its operational records retention periods, worked with the Ministry of Finance to finalize operational records classification processes in preparation to submit to the provincial Information Management Advisory Committee for approval and completed a business case to support implementation of a document management system. These actions led to the reduction of the risk rating for records management. The major risk the organization now faces is funding sufficiency and expense authority.

Expense authority is the authority granted to the PGT to approve expenditures and accounts. It includes, though not limited to, the authorization to purchase goods and services, approve of accounting transfers, entitlements and financing transactions.

Significant PGT risk factors fall into the following three broad categories and are summarized below:

Legislative framework: reflecting the impact of changes in government policy, legislation and regulation which could significantly impact service delivery requirements, availability of resources and the PGT revenue and cost model.

Demand side factors: reflecting the impact of increasing demands and complexity without additional funding such as legislative reform and changes in client expectations, awareness of PGT services and demographics that will significantly impact the demand for services from the PGT.

Supply side factors: reflecting the impact of significant resource limitations to meet current strategic and operational objectives such as the impacts of legislative reform and increasing demand for services from the PGT.

The following summarizes the most significant specific risks facing the PGT as identified and assessed through the Enterprise Risk Management process in September 2016 and outlines some of the major mitigation strategies. This summary of specific key risks does not describe all potential risks facing the PGT nor all of the related controls and mitigation strategies.

RISK MANAGEMENT

Topic	Nature of Risk	Major Mitigation Strategies
Funding sufficiency and expense authority	The PGT would be at risk if provincial administrative controls limited its expense authority so that it was unable to expend its revenue in providing services to clients or declining revenues limited the funding available to provide client services.	The PGT strives to mitigate this risk by careful budgeting and by seeking relief from limits on its expense authority by clarifying its fiduciary role and the fact that clients pay for estate and trust services.
External understanding of PGT mandate, roles and responsibilities	There is a risk that the public, service partners and stakeholders may not fully understand or accept PGT roles and responsibilities.	The PGT strives to mitigate this risk by producing public information materials and public education activities.
Changing demographics	Changing demographics increase the risk that PGT will not have adequate resources to meet increased demands for service.	The PGT strives to mitigate this risk through monitoring and analyzing internal and external demographic trends to understand key demand drivers for service and reallocating existing resources where required.
Implementation of new trust accounting system	The PGT would be at major risk if the new trust accounting system is not successfully implemented.	The PGT seeks to mitigate this risk by utilizing a leading edge approach that includes the use of a concurrent independent systems implementation audit.
Negative public attention	PGT reputation would be at risk if the PGT received negative public attention.	The PGT seeks to mitigate this risk through improved communications, media response planning and training.

RISK MANAGEMENT

Topic	Nature of Risk	Major Mitigation Strategies
Human resources sufficiency	The PGT would be at risk if it could not recruit or retain adequate numbers of appropriately qualified employees due to constraints imposed by the provincial government or otherwise.	The PGT strives to mitigate this risk by an ongoing commitment to increasing employee engagement, to enhancing recruitment and retention initiatives and by identifying its fiduciary role in seeking relief from staffing related provincial controls.
Records management	Reliable access to current and past client information is necessary to carry out PGT fiduciary duties and could be at risk from ineffective documentation and retention procedures.	The PGT strives to mitigate this risk through providing staff training and updating records retention procedures and seeks to implement a document management system in the near future as part of continued development of its information technology infrastructure.
Internal communications	Ineffective internal communications with respect to the coordination of different functions within client services would create risk to PGT requirement to satisfactorily fulfill statutory roles.	The PGT strives to mitigate this risk through the development of communication protocols, policies and procedures.
Training and compliance with PGT policies and procedures	There would be a risk if employees were not following PGT policies and procedures.	The PGT seeks to mitigate this risk by providing training on new policies and procedures.
Internal reporting	PGT is at risk of incomplete, inaccurate and untimely internal reporting of required financial, performance and management information.	The PGT strives to mitigate this risk by continuing to build upon internal reporting capabilities.

2016–2017 PERFORMANCE RESULTS

In 2016–2017, the PGT met or exceeded its targets for 20 (100%) of the performance measures on which it is reporting. Specific performance details related to each measure are provided in the following performance details section. The Performance Measurement Framework appears on pages 47-59.

Source Data

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

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

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

For the past several years, the PGT has been enhancing its capacity to draw performance reporting results from its information technology systems. Most reports on individual performance measures are now drawn from PGT systems and work continues to make this comprehensive. In 2017–2018, the PGT will be redesigning five measures that draw information from COMET, the PGT legacy trust accounting system. COMET will be replaced with a modern financial accounting system in 2017–2018. The PGT will design and publish new measures that are aligned with the PGT's strategic goals in the 2018–2021 Service Delivery Plan. A best practice approach is for the PGT to invest time to analyze the information generated by the new system and design new measures that will most satisfy BC Reporting Principles requirements and the *Public Guardian and Trustee Act*. Attempting to report on the five existing measures in 2017–2018 would require an extensive resourcing commitment resulting from the associated complexities of replacing the existing system, such as technology, process and timing.

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

2016–2017 PERFORMANCE RESULTS

Comparative Information

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

For 2016–2017, the PGT is able to make comparisons from its own performance using information reported in its previous annual reports. While some measures have been changed, eliminated or newly introduced over time, the available comparative data has become more substantial each year and has been used in several instances for changing measures and/or modifying performance targets.



REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Optimize client service delivery

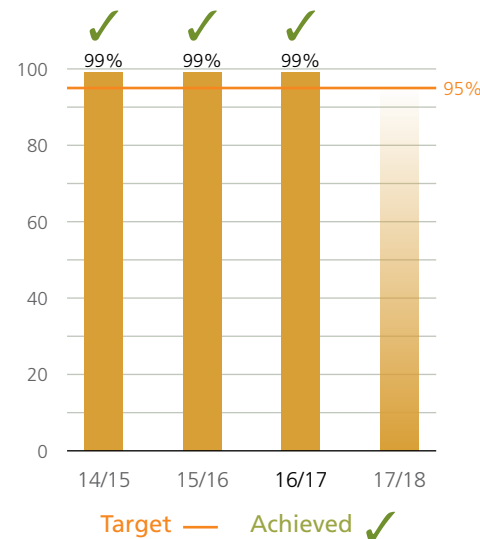
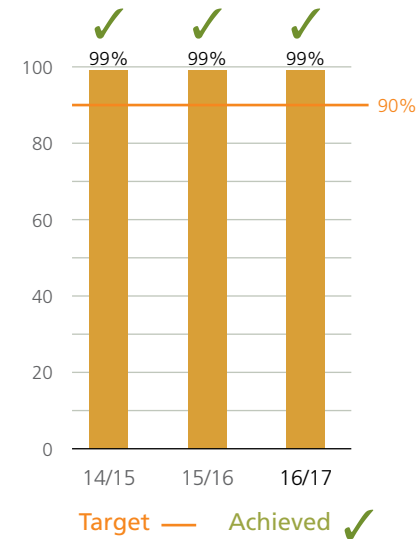
Administering trusts for which a child or youth is the beneficiary is a major responsibility of PGT Child and Youth Services. Unlike a bank account, funds held in trust are subject to a number of restrictions designed to protect the child. Guardianship and trust officers consider client requests to spend from the individual's trust fund and must determine whether the request falls within or outside of the trust restrictions while providing a timely response. This activity benefits children and youth by allowing appropriate disbursements in a timely manner while applying necessary constraints to satisfy fiduciary responsibilities to be prudent 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 2016–2017, out of 2,808 decisions to issue funds, 2,787 (99%) were completed and a payment was issued within 15 calendar days of request by the guardian or client. Note this measure will not be reported on in the 2017–2018 Annual Report and will be redeveloped in the 2018–2021 Service Delivery Plan.

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

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

In 2016–2017, of 898 critical incident reports received directly from MCFD and DAAs, 894 (99%) were reviewed and action was initiated by the PGT within 45 calendar days of receipt of the report.



GOAL 1

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

1.1.1 Percentage of disbursements from children's trusts that are completed within 15 calendar days of request by the guardian or client

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

GOAL 1

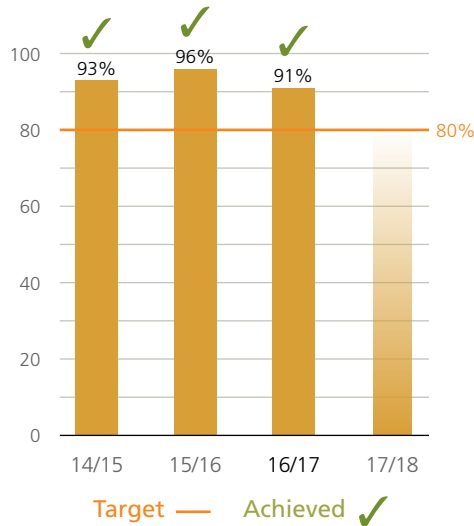
Objective 1.1 Property and financial interests of PGT clients will be well managed

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

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

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

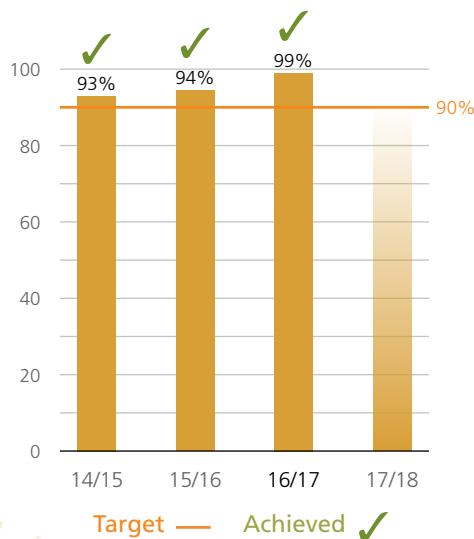
Optimize client service delivery



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

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

During 2016–2017, 270 new clients required these plans and the PGT developed personalized case plans for 246 (91%) of them within the six month time frame.



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

In 2016–2017, personalized case plans were developed and implemented or reviewed within the target timelines for 98 of 99 (99%) minor clients for whom ongoing maintenance has been approved.

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

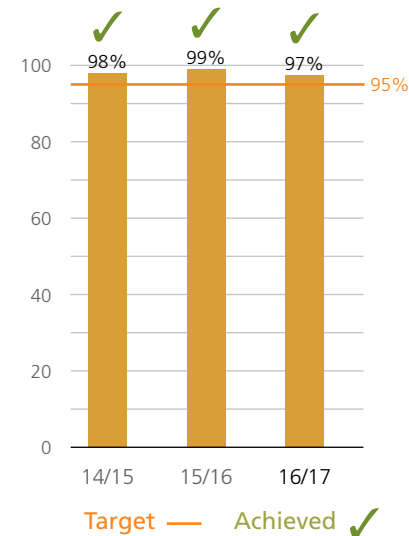
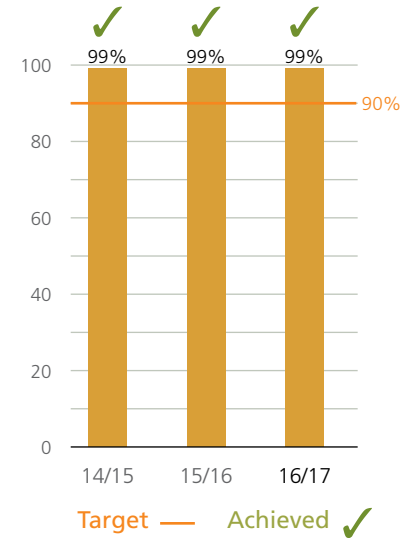
Optimize client service delivery

The efficient management of client financial affairs is of paramount importance to the PGT. This includes the timely processing of 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 use.

This performance measure tracks trust receipts received by PGT adult clients. In 2016–2017, of the 22,458 receipts of income or capital, 22,374 (99%) were processed within the five day timeline. Note this measure will not be reported on in the 2017–2018 Annual Report and will be redeveloped in the 2018–2021 Service Delivery Plan.

Ensuring that amounts owed by PGT clients are paid in a timely manner is an important aspect of managing the affairs of adult clients. This activity improves quality of life for incapable adults by ensuring timely bill payments on their behalf.

In 2016–2017, of 144,285 adult client disbursements, 140,545 (97%) were processed within 15 business days. Note this measure will not be reported on in the 2017–2018 Annual Report and will be redeveloped in the 2018–2021 Service Delivery Plan.



GOAL 1

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

1.1.5 Percentage of adult client trust receipts processed within five business days

1.1.6 Percentage of adult client disbursements processed within 15 business days

GOAL 1

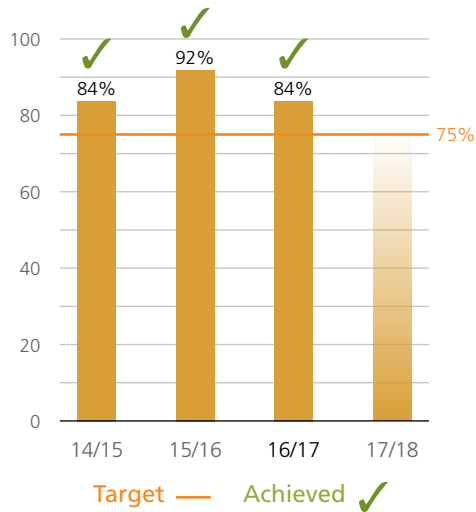
Objective 1.1
Property and financial interests of PGT clients will be well managed

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

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

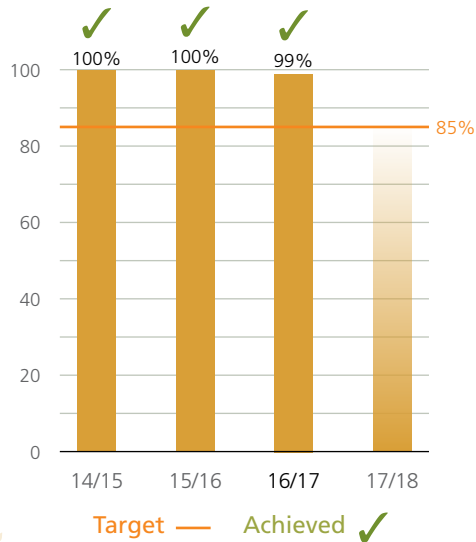
REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Optimize client service delivery



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

In 2016–2017, the PGT was notified of 73 new deceased estates that required this service. Of these, the physical assets for 61 (84%) were secured within 15 calendar days.



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

In 2016–2017, of 666 client inventory reports, 660 (99%) were recorded within five business days.

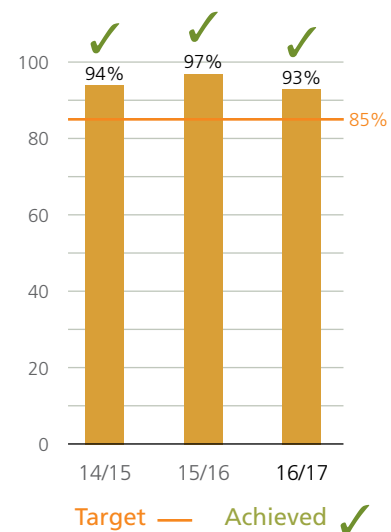
REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Optimize client service delivery

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

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

In 2016–2017, PGT Estate and Personal Trust Services distributed \$53,405,469 of which \$49,625,349 (93%) was transferred to intestate successors and beneficiaries. Note this measure will not be reported on in the 2017-2018 Annual Report and will be redeveloped in the 2018-2021 Service Delivery Plan.



GOAL 1

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

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

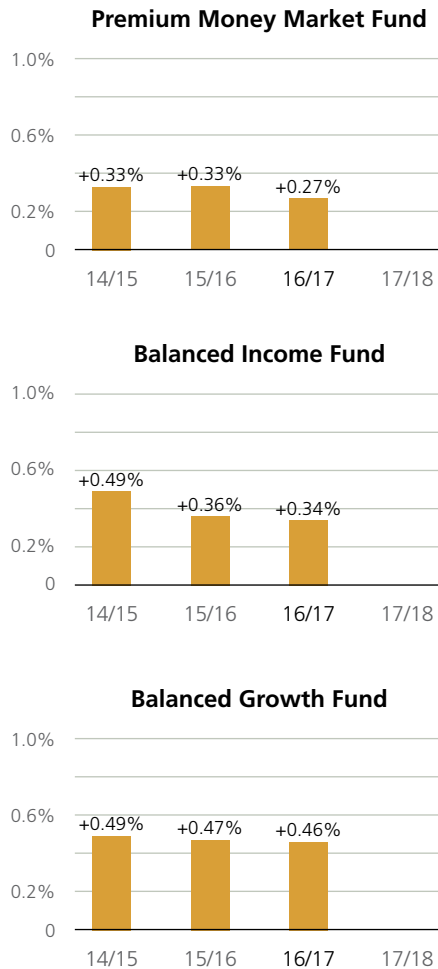
GOAL 1

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

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

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Optimize client service delivery



Target: Match or exceed established benchmarks

Achieved ✓

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

In 2016–2017 the PGT calculated investment returns using the investment industry standard of five year rolling averages with information on returns calculated by third party professional measurement services. In previous years the PGT had relied on calculating its own four year rolling average based on information provided by the same third party professional measurement services. RBC Investor and Treasury Services measures the Balanced Income Fund and the Balanced Growth Fund and the BC Investment Management Corporation measures the Premium Money Market Fund.

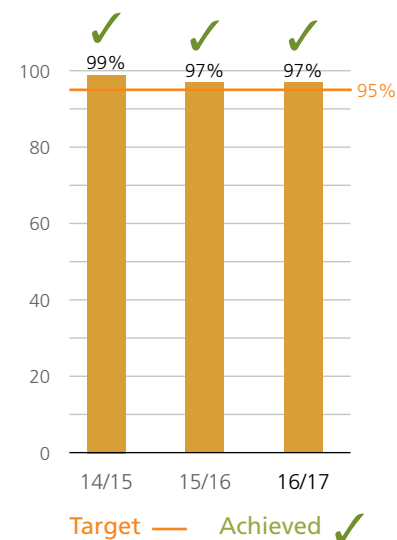
Professional investment management improves quality of life for clients by prudently managing their financial resources to help ensure their resources are maximized to meet their needs. In 2016–2017, investment returns for all three pooled funds exceeded the established benchmarks. Details are recorded in the accompanying tables.

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Optimize client service delivery

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

This activity improves quality of life for clients by helping ensure that financial planning remains current to maximize resources available for their needs. At March 31, 2016, 1,173 client investment plans were scheduled for review during 2016–2017 and of those, 200 clients left PGT authority during the year. Of the remaining 973 clients, 940 (97%) of the scheduled account reviews were completed. Note this measure will not be reported on in the 2017–2018 Annual Report and will be redeveloped in the 2018–2021 Service Delivery Plan.



GOAL 1

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

1.1.11 Percentage of
investment plans subject to
review that are completed
within the year

GOAL 1

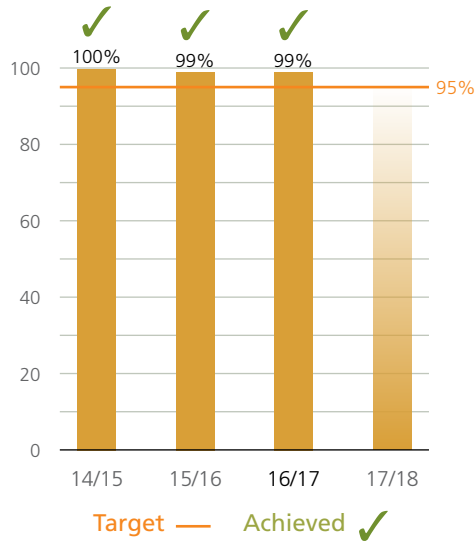
Objective 1.2
The PGT will deliver high quality client centred services

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

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

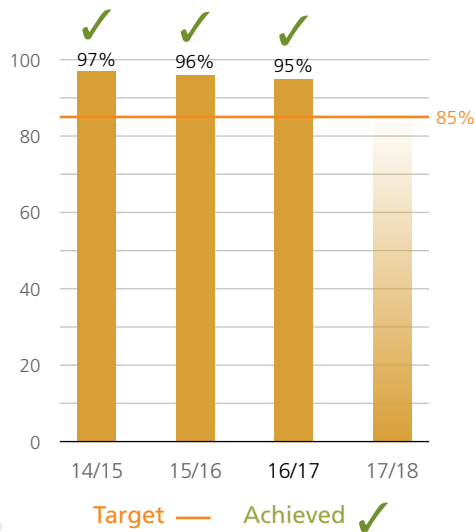
REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Optimize client service delivery



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

This performance measure focuses on clients for whom the PGT has the greatest responsibility. Client visits improve quality of life for clients through direct contact with PGT staff and provide for their maximum empowerment. In 2016–2017, visits were made to 99 of 100 (99%) adult clients for whom the PGT acts as committee of person.



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

In 2016–2017, there were 379 completed surveys. Of these, 324 of the 340 (95%) beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

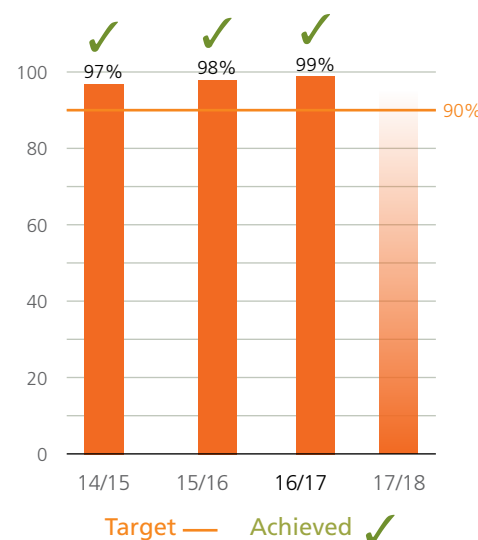
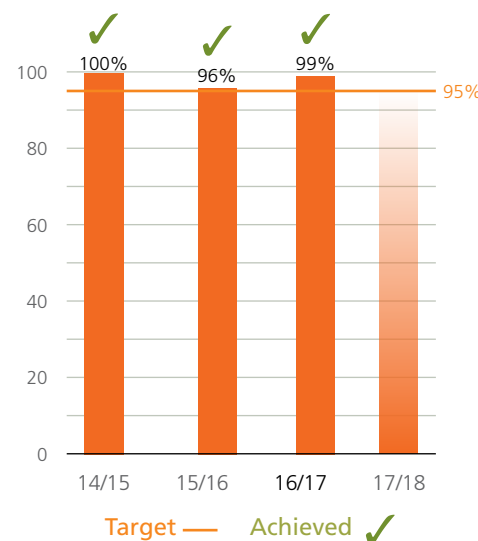
Contribute to a fair and just society

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

This performance measure focuses on the most serious decisions which are classified as “major” under the *Health Care (Consent) and Care Facility (Admission) Act*. Timeliness of decision making is important because it facilitates clients receiving health care in a timely manner if that treatment is consented to by the TSDM. In 2016–2017, of 113 major health care decisions, 112 (99%) were made within the three business day time frame.

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

This statutory service protects the property rights of minors in obtaining fair and reasonable compensation from negligent parties or their insurers. It also contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner. Within this time frame, the PGT works as quickly as possible as PGT review is usually the final step in what may already have been a very long process for the child and parent or guardian. In 2016–2017, in 415 of 419 cases (99%), the PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 calendar days of all relevant information being received.



GOAL 2

Objective 2.1 Personal interests of PGT clients will be protected

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

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

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

GOAL 2

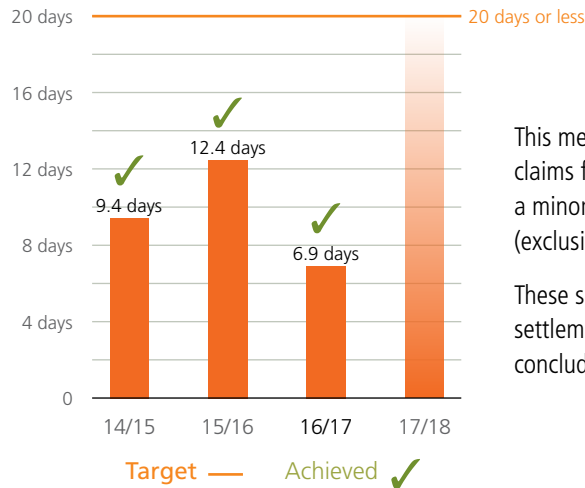
REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Contribute to a fair and just society

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

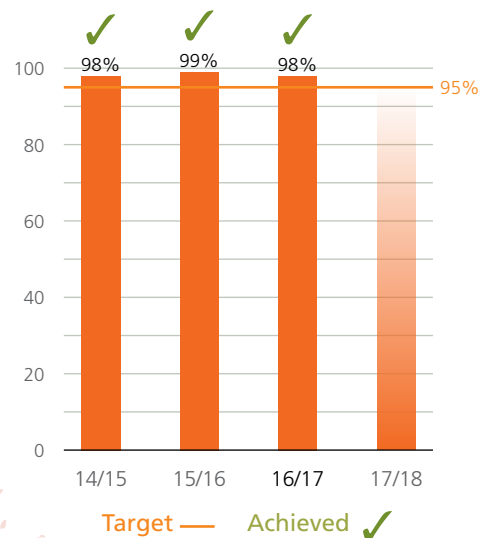
2.2.2 For minors' settlements under \$5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received

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



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

These smaller settlements are reported separately because they are usually less complex than larger settlements and it is possible for them to be reviewed more quickly. In 2016–2017, the PGT reviewed and concluded 97 proposed settlements under \$5,000 in an average of 6.9 elapsed days per settlement.



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

The speed of PGT action can be a major determinant of whether client assets are protected. Taking protective measures in a timely manner increases safety for abused, neglected and self neglecting incapable adults. In 2016–2017, the PGT took protective measures in 199 cases. In 196 (98%) of these, protective measures were taken within one working day.

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

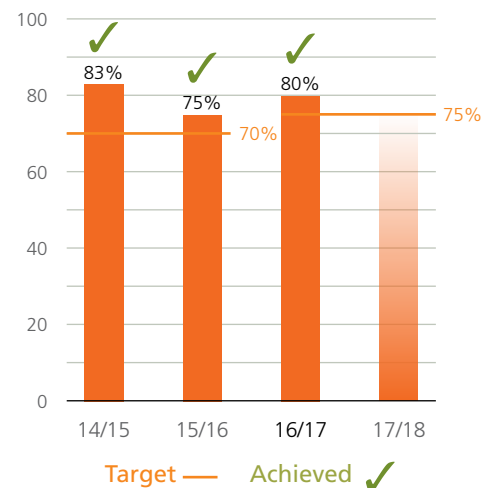
Contribute to a fair and just society

The court may order that a family member or other person may become committee of a mentally incapable adult. The PGT reviews their accounts according to a defined schedule to help ensure the committee is applying the adult's funds appropriately.

In 2016–2017, of 648 accounts submitted for review to the PGT, 521 (80%) were reviewed within six months of receipt.

The recently enacted *Family Law Act* has clarified parental roles and duties to private guardians of children. However, the nature and scope of public guardianship duties for personal and property guardians have not been addressed in the law. The PGT consulted with relevant provincial ministries to develop recommendations to modernize the statutory definition of public guardianship of minors.

The PGT reported to the Ministry of Justice on the progress of the consultation by March 31, 2017.



✓
TARGET:
 Report on progress
 to the Ministry of Justice
 by March 31, 2017
ACHIEVED:
 Reported on progress
 to the Ministry of Justice
 on March 17, 2017

N/A	N/A		TBD
14/15	15/16	16/17	17/18

GOAL 2

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

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

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

2.3.1 Lead a consultation
 with relevant provincial
 ministries to make
 recommendations to
 government regarding
 enacting a modern
 statutory definition of public
 guardianship of minors

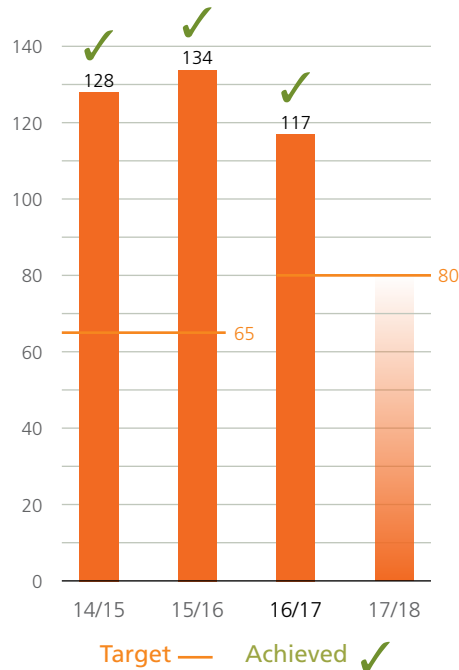
GOAL 2

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

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

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Contribute to a fair and just society



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

Better understanding of the PGT role promotes appropriate uptake of PGT services and is an important element in a PGT demand management strategy. In 2016–2017, the PGT made 117 public presentations.

GOAL 3

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

Achieve success through relationships

Assessment – There are no specific performance measures for this goal, however, the PGT plans to achieve its mandate through working with others including clients, their friends and families, organizations with statutory authority and a wide range of professional and organizational service providers. This includes participating in government wide and government/community initiatives as documented in this report (see pages 30-32).

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Demonstrate accountability and transparency

Assessment – All of the specific performance measures described under the previous goals also relate to this goal. In addition, the PGT is approaching this goal by responding to a large number of strategic and operational factors. Implementing supportive information technology, particularly a new trust accounting system, is a major strategic approach. The PGT has a strong accountability framework that includes an Enterprise Risk Management Framework (see pages 41-43) and independently audited public reporting on performance and operations (see pages 70-104).

GOAL 4

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

Engage and empower staff

Assessment – There are no specific performance measures for this goal as well, however, the PGT is approaching this goal from a number of perspectives. These include building a strong corporate training program, responding to employee engagement surveys, providing a safe working environment and applying risk mitigation strategies to help ensure the PGT is appropriately staffed.

GOAL 5

Objective 5.1
Develop motivated, skilled and accountable leaders and staff

LINKING RESOURCES TO PERFORMANCE

LINKING RESOURCES, STRATEGIES AND RESULTS

Background

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

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

- *Operational divisions* focus on broad client groups such as children and youth, adults and estates of deceased persons. Costs are assigned directly to the divisions.
- Activities of operational divisions are supported by *integrated services* such as legal, investments, information systems, securing of client assets, warehousing, budgeting, facilities and executive support services. Costs for these integrated services are assigned across operational divisions using an allocation model developed to reflect approximate usage.
- Some services, such as quality assurance and risk management, are delivered in a *cross divisional* manner. Costs of cross divisional services are assigned directly through operational division budgets and indirectly through costs assigned through an allocation model.

- Services such as maintaining client real property are *delivered in conjunction with service partners* and are charged directly to clients.

See pages 68 and 69 for the Allocation of Recoveries and Expenses by Program – Budget and Actual (unaudited) for the year ended March 31, 2017.

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

Linkages

Client services fall into one of two broad service areas:

- *Estate and trust services* are fiduciary in nature with the greatest impact from the service on the management of individual client assets which is reflected in the total or high level of cost recovery.
- *Public services* are regulatory in nature with the greatest impact from the service on monitoring or oversight and the limited or non existent cost recovery reflects the public nature of these services.

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

LINKING RESOURCES TO PERFORMANCE

Challenges

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

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

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

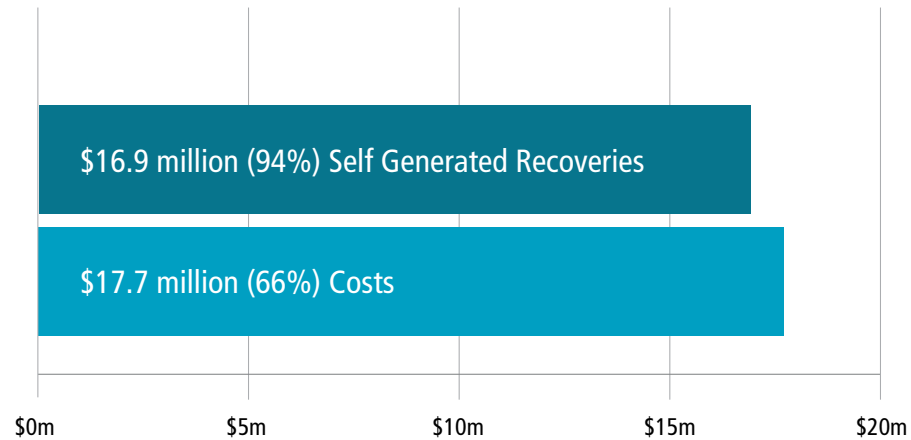
TABLE 1

AREAS OF EXPENDITURE AND PGT STRATEGIC GOALS (UNAUDITED)*

Estate and Trust Services

Goals 1, 3, 4 and 5 most directly affected

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



ESTATE AND TRUST SERVICES

Estate and trust services are the primary PGT responsibility and in 2016–2017 accounted for \$17.7 million or 66% of total costs and produced \$16.9 million or 94% of total self generated recoveries from fees.

Estate and trust services include the following:

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

Context

- PGT Estate and Personal Trust Services division achieved cost recovery. The rate of recovery was 138% in 2016–2017 (142% in 2015–2016).
- The PGT acts as a prudent investor in managing all client invested funds. These investment activities support objectives under Goal 1 by ensuring property and financial interests of PGT clients are well managed. At March 31, 2017, the average cost per client for salaries and benefits within the PGT investment services section was \$33.10 (\$26.77 at March 31, 2016).

AREAS OF EXPENDITURE AND PGT STRATEGIC GOALS (UNAUDITED)*

PUBLIC SERVICES

Public services accounted for \$9.0 million or 34% of total costs in 2016–2017 and produced \$1.1 million or 6% of total self generated recoveries from fees.

Public services include the following:

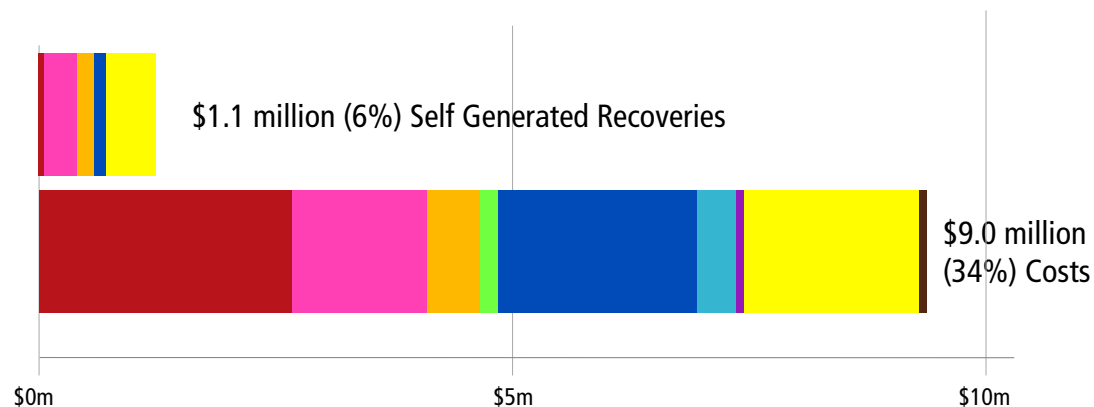
Program Areas	Costs	Self Generated Recoveries
Child and Youth Services		
Property guardian	\$2.59 million	\$0.05 million
Infant settlement and other legal reviews	\$1.39 million	\$0.33 million
Grant application reviews	\$0.54 million	\$0.16 million
Litigation guardian	\$0.18 million	\$0.00 million
Services to Adults		
Assessment and investigation	\$2.04 million	\$0.10 million
Temporary substitute decision making	\$0.41 million	\$0.00 million
Committee of person	\$0.08 million	\$0.00 million
Private committee services	\$1.79 million	\$0.47 million
Other adult legal services	\$0.01 million	\$0.00 million
TOTAL	\$9.03 million	\$1.11 million

Context

Under the *Health Care (Consent) and Care Facility (Admission) Act*, PGT staff make substitute health care treatment decisions or appoint other suitable decision makers. This health care decision making activity supports objectives under Goal 2 by ensuring personal interests of PGT clients are protected. In 2016–2017, average unit cost was \$898 (\$998 in 2015–2016).

Public Services

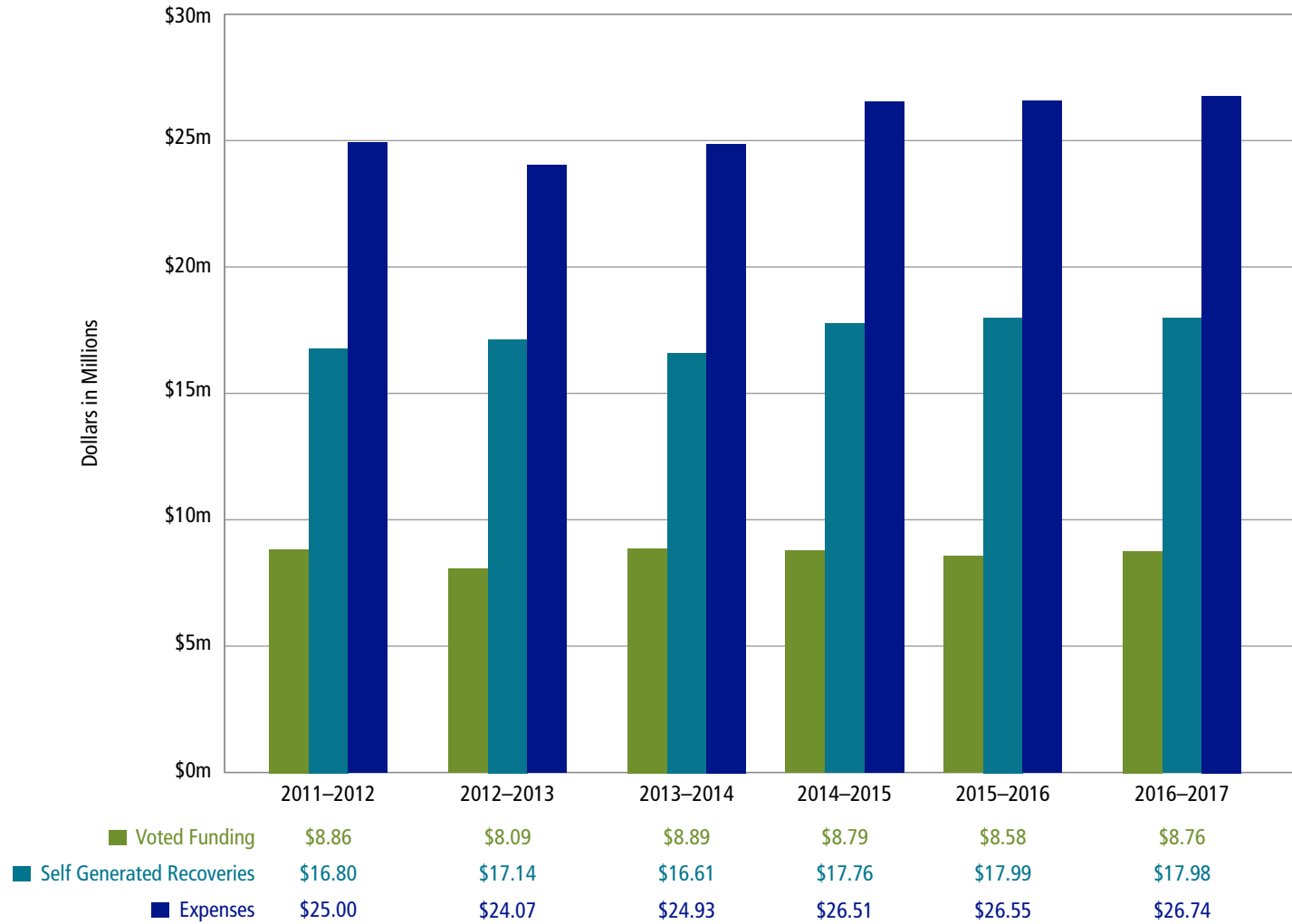
Goals 1, 2, 3, 4 and 5 most directly affected



The *Wills, Estates and Succession Act* requires that the PGT be notified before a court application for a grant involving interests of a child or incapable adult. These grant application reviews support objectives under Goal 3 by ensuring statutory protective and monitoring services are delivered in an appropriate, timely and fair manner. In 2016–2017, cost per review was \$922 (\$2,173 in 2015–2016) and the *Public Guardian and Trustee Fees Regulation* allows a fee of \$300 per notice for this review.

TABLE 2

PGT VOTED FUNDING, RECOVERIES AND EXPENSES, 2011–2012 TO 2016–2017



RECOVERIES AND PROGRAM COSTS 2016–2017

Introduction

The PGT cost allocation model was developed to show recoveries from fees and costs in a meaningful way by linking resources to the costs of providing service. Budgeted figures have been provided from the Estimates approved by the Legislative Assembly of British Columbia on May 19, 2016. Actual results are provided from the audited financial statements of the Public Guardian and Trustee Operating Account. The amounts may differ from the Public Accounts due to timing differences resulting from accruals and adjustments below the materiality threshold of the Province of British Columbia.

Recovery Sources and Variances

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

RECOVERIES AND VARIANCES (UNAUDITED)

Recovery Variances (Unaudited) for the Year Ended March 31, 2017 (expressed in thousands of dollars)					
	Budget	Actual	\$ Variance*	% Variance*	Note
Self generated recoveries					
Commissions	\$ 9,576	\$ 9,901	\$ 325	3%	1
Asset management fees	6,074	6,085	11	0%	
Estate liaison administration fees	576	464	(112)	(19%)	2
Minimum administration fee	240	328	88	37%	3
Heir tracing fees	119	97	(22)	(18%)	4
Fees for investigations, monitoring and legal services	1,081	1,023	(58)	(5%)	
Other	100	82	(18)	(18%)	5
Total self generated recoveries	17,766	17,980	214	1%	
Voted funding from the Province of British Columbia	8,795	8,761	(34)	(0%)	
Total recoveries	\$ 26,561	\$ 26,741	\$ 180	1%	

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

Explanatory Notes on Recoveries Variances

1. More large commissions than budgeted resulted from the sale of real properties and investments as well as a large estate.
2. Decrease due to a significant decline in the number of files open in Estate Liaison.
3. Increase due to a significant increase in the number of files closed in Estate Liaison.
4. Budget estimated an increase in heir tracing activities. Amount of heir tracing fees received, although less than budgeted, is consistent with amount received in 2015–2016.
5. Includes recognition of deferred recovery of \$82k to recover costs pursuant to the claims protocol agreement related to a class action settlement.

EXPENSES AND VARIANCES (UNAUDITED)

Expense Variances (Unaudited) for the Year Ended March 31, 2017 (expressed in thousands of dollars)					
	Budget	Actual	\$ Variance*	% Variance*	Note
Expenses					
Salaries and benefits	\$ 21,261	\$ 21,224	\$ (37)	(0%)	
Computer systems and support	1,870	2,276	406	22%	1
Other operating and administrative costs	1,287	1,525	238	18%	2
Professional services	581	444	(137)	(24%)	3
Building occupancy	200	202	2	1%	
Client expenditures	753	448	(305)	(41%)	4
Legal services	250	275	25	10%	
Amortization	359	347	(12)	(3%)	
Total expenses	\$ 26,561	\$ 26,741	\$ 180	1%	

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

Explanatory Notes on Expenses Variances

1. Increase in contracted support for Trust Accounting System replacement project.
2. Increase in expenses to support the Trust Accounting System replacement project.
3. Some professional services costs (project management, business analysis) were capitalized as part of the Trust Accounting System replacement project, resulting in lower than budgeted expenses.
4. Lower than budgeted costs for medical assessments and higher than budgeted recoveries for warehouse and other storage.

Public Guardian and Trustee of British Columbia
Allocation of Recovery and Expenses by Program Area - Budget (Unaudited)
Fiscal year end March 31, 2017

(Expressed in thousands of dollars)

	ESTATE AND TRUST SERVICES				PUBLIC SERVICES			Totals
	Adult Trust Services	Estate and Personal Trust Services	Child Trust Services	Subtotal	Adult Services	Child Services	Subtotal	
External recoveries from fees								
Commissions	5,101	3,530	933	9,564	-	12	12	9,576
Asset management fees	3,455	1,428	1,155	6,038	-	36	36	6,074
Estate liaison administration fees	576	-	-	576	-	-	-	576
Minimum administration fees	240	-	-	240	-	-	-	240
Heir tracing fees	-	119	-	119	-	-	-	119
Other	50	2	-	52	593	536	1,129	1,181
Total external recoveries from fees	9,422	5,079	2,088	16,589	593	584	1,177	17,766
Operating Expenses								
Salaries and benefits	9,119	3,419	1,306	13,844	3,675	3,742	7,417	21,261
Computer systems and support	660	257	268	1,185	337	348	685	1,870
Other operating and administrative costs	503	157	92	752	203	332	535	1,287
Client expenditures	537	144	4	685	43	25	68	753
Professional services	259	101	51	411	86	84	170	581
Amortization	167	57	24	248	59	52	111	359
Legal services	2	-	-	2	11	237	248	250
Building occupancy	86	33	12	131	35	34	69	200
Total operating expenses	11,333	4,168	1,757	17,258	4,449	4,854	9,303	26,561
Net external recovery (expense)*	(1,911)	911	331	(669)	(3,856)	(4,270)	(8,126)	(8,795)
Other revenue								
Voted funding from the Province of British Columbia								8,795
Balance								-

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

Public Guardian and Trustee of British Columbia
Allocation of Recoveries and Expenses by Program Area - Actual (Unaudited)
Fiscal year end March 31, 2017

(Expressed in thousands of dollars)

	ESTATE AND TRUST SERVICES				PUBLIC SERVICES			Totals
	Adult Trust Services	Estate and Personal Trust Services	Child Trust Services	Subtotal	Adult Services	Child Services	Subtotal	
External recoveries from fees								
Commissions	5,135	3,989	767	9,891	-	10	10	9,901
Asset management fees	3,413	1,498	1,140	6,051	-	34	34	6,085
Estate liaison administration fees	464	-	-	464	-	-	-	464
Minimum administration fees	328	-	-	328	-	-	-	328
Heir tracing fees	-	97	-	97	-	-	-	97
Other	41	2	-	43	570	492	1,062	1,105
Total external recoveries from fees	9,381	5,586	1,907	16,874	570	536	1,106	17,980
Operating Expenses								
Salaries and benefits	9,237	3,352	1,295	13,884	3,600	3,740	7,340	21,224
Computer systems and support	867	319	290	1,476	398	402	800	2,276
Other operating and administrative costs	649	134	431	1,214	159	152	311	1,525
Client expenditures	386	72	(6)	452	1	(5)	(4)	448
Professional services	204	74	35	313	68	63	131	444
Amortization	162	55	23	240	58	49	107	347
Legal services	2	-	-	2	12	261	273	275
Building occupancy	87	33	12	132	35	35	70	202
Total operating expenses	11,594	4,039	2,080	17,713	4,331	4,697	9,028	26,741
Net external recovery (expense)*	(2,213)	1,547	(173)	(839)	(3,761)	(4,161)	(7,922)	(8,761)
Other revenue								
Voted funding from the Province of British Columbia								8,761
Balance								-

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

A photograph of a person wearing a white button-down shirt, sitting at a desk and typing on a silver laptop. The person's hands are the central focus, with purple nail polish visible on the fingers. The background is a blurred office environment with wooden shelves and a window. The image is partially overlaid by a grey decorative graphic on the left side.

**AUDITED FINANCIAL
STATEMENTS
2016–2017**

OPERATING ACCOUNT

Financial Statements of

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Year ended March 31, 2017



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

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

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

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

Catherine M. Romanko
Public Guardian and Trustee

July 4, 2017



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

INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

We have audited the accompanying financial statements of the Operating Account of the Public Guardian and Trustee of British Columbia, which comprise the statement of financial position as at March 31, 2017, the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Guardian and Trustee of British Columbia as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada
July 4, 2017

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2017, with comparative information for 2016

	Notes	2017	2016
Financial assets			
Cash and cash equivalents	3, 4(a)	\$ 24,555	\$ 26,117
Due from Estates and Trusts Administered	5	1,891	1,718
Other financial assets		138	15
		26,584	27,850
Liabilities			
Accounts payable and accrued liabilities		1,211	1,660
Deferred revenue		125	207
		1,336	1,867
Net financial assets		25,248	25,983
Non-financial assets			
Tangible capital assets	6	1,612	877
Accumulated surplus	3	\$ 26,860	\$ 26,860
Contingent liabilities	7		

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

Catherine M. Romanko
Public Guardian and Trustee

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

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

Year ended March 31, 2017, with comparative information for 2016

	Notes	2017 Budget (Note 8)	2017	2016
External recoveries from fees		\$ 17,766	\$ 17,980	\$ 17,989
Funding from the Province of British Columbia	4(b)	8,795	8,761	8,577
		26,561	26,741	26,566
Expenses:	4(c)			
Salaries and benefits	9	21,261	21,224	20,900
Computer systems and support		1,870	2,276	2,328
Other operating and administrative costs		1,287	1,525	974
Professional services		581	444	842
Client expenditures		753	448	587
Amortization		359	347	390
Legal services		250	275	266
Building occupancy	4(d)	200	202	264
		26,561	26,741	26,551
Annual surplus (deficit)		-	-	15
Accumulated surplus, beginning of year		26,860	26,860	26,845
Accumulated surplus, end of year		\$ 26,860	\$ 26,860	\$ 26,860

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

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

Year ended March 31, 2017, with comparative information for 2016

	2017 Budget (Note 8)	2017	2016
Annual surplus (deficit)	\$ -	\$ -	\$ 15
Acquisition of tangible capital assets	(364)	(1,082)	(256)
Amortization of tangible capital assets	359	347	390
Increase (decrease) in net financial assets	(5)	(735)	149
Net financial assets, beginning of the year	25,983	25,983	25,834
Net financial assets, end of the year	\$ 25,978	\$ 25,248	\$ 25,983

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended March 31, 2017, with comparative information for 2016

	Notes	2017	2016
Cash and cash equivalents provided by (used in):			
Operating activities:			
Annual surplus (deficit)		\$ -	\$ 15
Non-cash item:			
Amortization of tangible capital assets		347	390
Change in due from Estates and Trust Administered		(173)	(468)
Change in other financial assets		(123)	14
Change in accounts payable and accrued liabilities		(449)	33
Change in deferred revenue		(82)	(85)
		(480)	(101)
Capital activities:			
Acquisition of tangible capital assets		(1,082)	(256)
Decrease in cash and cash equivalents		(1,562)	(357)
Cash and cash equivalents, beginning of year		26,117	26,474
Cash and cash equivalents, end of year		\$ 24,555	\$ 26,117
Cash and cash equivalents are made up of:			
Due from the Province of British Columbia		\$ 23,328	\$ 24,492
Cash held directly		1,227	1,625
		\$ 24,555	\$ 26,117

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, 2017

1. Reporting entity:

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

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

Separate financial information has been prepared as at March 31, 2017 for client trust accounts, which include \$934 million (2016 - \$863 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 public sector accounting standards as recommended by the Public Sector Accounting Board of CPA Canada. These financial statements were authorized for issue by the Public Guardian and Trustee on July 4, 2017.

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

Due from the Estates and Trusts Administered includes amounts owing from clients of the PGT for fees, cost recoveries and short term loans. The PGT maintains an allowance for doubtful accounts that reflects management’s best estimate of uncollectible amounts owing. Amounts deemed uncollectible are charged to client expenditures in the statement of operations in the period in which they are deemed uncollectible.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2017

2. Significant accounting policies (continued):

(c) Tangible capital assets:

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

(d) Revenue recognition:

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

(e) Employee benefit plans:

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

(f) Client expenditures:

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

(g) Use of estimates:

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2017

2. Significant accounting policies (continued):

(h) Segmented information and expense presentation:

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

3. Cash accounts and accumulated surplus:

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

4. Related party transactions:

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

- (a) The PGT uses the Province of British Columbia's financial and banking systems to process and record most of its transactions. Transactions related to PGT fees and other amounts collected from clients are processed and recorded first in the PGT's own financial and banking system, and subsequently recorded on a monthly aggregate basis in the Province of British Columbia's systems.
- (b) A transfer of \$8,761 (2016 - \$8,577) from a sub-vote of the Ministry of Justice and Attorney General has been provided for services to incapable adults, children and youth and for other expenditures of the PGT.
- (c) Certain financial and administrative services, post-employment benefits, and office and warehouse facilities are provided centrally by various ministries and agencies of the government of the Province of British Columbia. The costs of these services are not charged to the Operating Account and are, therefore, not included in the statement of operations.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2017

4. Related party transactions (continued):

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

	2017	2016
Building costs incurred by SSBC for facilities occupied by the PGT	\$ 2,857	\$ 2,745
Portion not charged to the PGT	(2,657)	(2,496)
Building costs paid by the PGT to SSBC	200	249
Building costs paid by the PGT to unrelated parties	2	15
Building occupancy expense, as reported on the statement of operations	\$ 202	\$ 264

5. Due from Estates and Trusts Administered:

	2017	2016
Gross amount due from Estates and Trusts Administered	\$ 3,142	\$ 2,716
Allowance for doubtful accounts	(1,251)	(998)
Net amount due from Estates and Trusts Administered	\$ 1,891	\$ 1,718

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2017

6. Tangible capital assets:

	2017									
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Accumulated amortization beginning of year	Disposals	Amortization expense	Accumulated amortization end of year	Net book value beginning of year	Net book value end of year
Operating equipment	\$ 21	\$ 10	\$ -	\$ 31	\$ (18)	\$ -	\$ (1)	\$ (19)	\$ 3	\$ 12
Furniture and equipment	488	2	-	490	(396)	-	(40)	(436)	92	54
Personal computer software	111	-	-	111	(103)	-	(4)	(107)	8	4
Computer hardware - less than \$10,000	438	-	-	438	(400)	-	(15)	(415)	38	23
Server computer software	3,236	704	-	3,940	(2,500)	-	(214)	(2,714)	736	1,226
Computer hardware - greater than \$10,000	62	366	-	428	(62)	-	(73)	(135)	-	293
Tenant improvement	704	-	-	704	(704)	-	-	(704)	-	-
Total	\$ 5,060	\$ 1,082	\$ -	\$ 6,142	\$ (4,183)	\$ -	\$ (347)	\$ (4,530)	\$ 877	\$ 1,612

	2016									
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Accumulated amortization beginning of year	Disposals	Amortization expense	Accumulated amortization end of year	Net book value beginning of year	Net book value end of year
Operating equipment	\$ 21	\$ -	\$ -	\$ 21	\$ (16)	\$ -	\$ (2)	\$ (18)	\$ 5	\$ 3
Furniture and equipment	467	21	-	488	(352)	-	(44)	(396)	115	92
Personal computer software	107	4	-	111	(89)	-	(14)	(103)	18	8
Computer hardware - less than \$10,000	429	34	(25)	438	(403)	25	(22)	(400)	26	38
Server computer software	3,039	197	-	3,236	(2,196)	-	(304)	(2,500)	843	736
Computer hardware - greater than \$10,000	62	-	-	62	(58)	-	(4)	(62)	4	-
Tenant improvement	704	-	-	704	(704)	-	-	(704)	-	-
Total	\$ 4,829	\$ 256	\$ (25)	\$ 5,060	\$ (3,818)	\$ 25	\$ (390)	\$ (4,183)	\$ 1,011	\$ 877

Cost includes fully amortized assets that are still in use of \$2,816 (2016 - \$2,794).

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2017

7. Contingent liabilities:

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

8. Budget figures:

Budget figures have been provided for comparative purposes from the estimates approved by the Legislative Assembly of British Columbia on May 19, 2016.

9. Employee benefit plans:

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

The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the plan members and will be reflected in their future contributions. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the funding. The last actuarial valuation was as at March 31, 2014, and showed that the Plan was at 101% funded. The next valuation date is to be completed no later than March 31, 2017.

During the year ended March 31, 2017, the PGT contributed \$1,505 (2016 - \$1,508) to the plan. These contributions are included in salaries and benefits expense. No pension liability for this plan is included in the financial statements.

10. Fair value:

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

ESTATES AND TRUSTS ADMINISTERED

Financial Information of the
Estates and Trusts Administered by the

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Year ended March 31, 2017



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

MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL INFORMATION OF ESTATES AND TRUSTS ADMINISTERED BY 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 International Financial Reporting Standards 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.

Catherine M. Romanko
Public Guardian and Trustee

July 4, 2017



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

INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

We have audited the accompanying financial information of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia, which comprise the statement of net assets as at March 31, 2017 and the statements of income and expenses, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Information

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

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to an entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

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

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



Opinion

In our opinion, the financial information presents fairly, in all material respects, the net assets of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia as at March 31, 2017 and their income and expenses, changes in net assets and cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada

July 4, 2017

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

March 31, 2017, with comparative information for 2016

	Notes	2017	2016
Assets			
Premium Money Market Fund	5	\$ 431,935	\$ 449,298
Balanced Income Fund	6	39,917	37,249
Balanced Growth Fund	7	113,756	103,028
Other investments and securities	8	153,862	149,424
Other financial assets	9	14,071	10,458
Real property	10	212,628	139,713
Other assets		7,989	8,145
		974,158	897,315
Liabilities			
Accounts payable		5,155	6,158
Mortgages and loans payable		32,240	25,508
Payable to the Public Guardian and Trustee Operating Account	11(b)	3,142	2,652
		40,537	34,318
Net Assets of Estates and Trusts Administered		\$ 933,621	\$ 862,997

The accompanying notes are an integral part of this financial information.

Catherine M. Romanko
Public Guardian and Trustee

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017, with comparative information for 2016

	Notes	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Real property	2017	2016
Income:								
Pensions, benefits and settlements		\$ 78,825	\$ -	\$ -	\$ -	\$ -	\$ 78,825	\$ 83,017
Interest and dividends		4,691	841	2,597	2,329	-	10,458	10,838
		83,516	841	2,597	2,329	-	89,283	93,855
Expenses:								
Payments for client care maintenance	11(a)	56,501	-	-	-	-	56,501	55,636
Fees paid to the Public								
Guardian and Trustee Operating Account	11(b)	16,333	350	970	-	-	17,653	18,247
Professional services	11(c)	6,980	67	164	239	-	7,450	7,151
Income taxes paid from Estates and Trusts Administered		3,078	-	-	27	-	3,105	2,335
		82,892	417	1,134	266	-	84,709	83,369
Net income before realized and unrealized gains/losses		624	424	1,463	2,063	-	4,574	10,486
Realized and unrealized gains/losses:								
Net realized gains on assets sold or released		-	1,286	3,271	1,316	10,046	15,919	14,203
Change in unrealized gains/losses		(651)	962	6,579	10,360	25,449	42,699	(6,411)
		(651)	2,248	9,850	11,676	35,495	58,618	7,792
Net income (loss), representing total comprehensive income (loss) - 2017		\$ (27)	\$ 2,672	\$ 11,313	\$ 13,739	\$ 35,495	\$ 63,192	
Net income (loss), representing total comprehensive income (loss) - 2016		\$ 5,685	\$ (428)	\$ (2,069)	\$ 1,567	\$ 13,523		\$ 18,278

The accompanying notes are an integral part of this financial information.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017, with comparative information for 2016

Notes	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Other financial assets	Real property	Other assets less liabilities	Total
Balance at March 31, 2015	\$ 461,496	\$ 35,337	\$ 103,620	\$ 129,466	\$ 7,990	\$ 131,546	\$ (27,816)	\$ 841,639
Net income (loss) representing comprehensive income (loss) for the year	5,685	(428)	(2,069)	1,567	-	13,523	-	18,278
Other changes in net assets of Estates and Trusts Administered:								
Assets acquired	-	-	-	46,417	29,866	62,191	-	138,474
Assets purchased from Estates and Trusts Administered	(636)	-	-	-	-	478	-	(158)
Assets sold or collected	98,655	-	-	(22,186)	(25,982)	(49,690)	-	797
Transfers between assets	(8,941)	2,340	1,477	5,124	-	-	-	-
Assets released to clients, beneficiaries and heirs	-	-	-	(10,964)	(1,416)	(18,335)	-	(30,715)
Cash distributions to clients, beneficiaries and heirs	(104,662)	-	-	-	-	-	-	(104,662)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	12 (2,299)	-	-	-	-	-	-	(2,299)
Movement in other assets less liabilities	-	-	-	-	-	-	1,643	1,643
Total changes in net assets of Estates and Trusts Administered	(12,198)	1,912	(592)	19,958	2,468	8,167	1,643	21,358
Balance at March 31, 2016	449,298	37,249	103,028	149,424	10,458	139,713	(26,173)	862,997
Net income (loss) representing comprehensive income (loss) for the year	(27)	2,672	11,313	13,739	-	35,495	-	63,192
Other changes in net assets of Estates and Trusts Administered:								
Assets acquired	-	-	-	34,677	39,727	101,217	-	175,621
Assets purchased from Estates and Trusts Administered	(1,096)	-	-	-	-	636	-	(460)
Assets sold or collected	105,565	-	-	(26,395)	(34,055)	(48,425)	-	(3,310)
Transfers between assets	3,255	(5)	(584)	(2,666)	-	-	-	-
Assets released to clients, beneficiaries and heirs	-	-	-	(14,916)	(2,059)	(16,009)	-	(32,983)
Cash distributions to clients, beneficiaries and heirs	(121,137)	-	-	-	-	-	-	(121,137)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	12 (3,924)	-	-	-	-	-	-	(3,924)
Movement in other assets less liabilities	-	-	-	-	-	-	(6,375)	(6,375)
Total changes in net assets of Estates and Trusts Administered	(17,363)	2,668	10,728	4,439	3,613	72,915	(6,375)	70,625
Balance at March 31, 2017	\$ 431,935	\$ 39,917	\$ 113,756	\$ 153,862	\$ 14,071	\$ 212,628	\$ (32,547)	\$ 933,621

The accompanying notes are an integral part of this financial information.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Income:		
Pensions, benefits and settlements	\$ 78,825	\$ 83,017
Interest and dividends	5,181	5,546
Expenses:		
Client care and maintenance	(56,501)	(55,636)
Fees paid to the Public Guardian and Trustee Operating Account	(16,333)	(17,136)
Professional services	(6,980)	(6,693)
Income taxes paid from Estates and Trusts Administered	(3,078)	(2,308)
	1,114	6,790
Investing activities:		
Contributions to Balanced Income Fund	(7,606)	(8,628)
Withdrawals from Balanced Income Fund	7,611	6,289
Contributions to Balanced Growth Fund	(14,983)	(12,387)
Withdrawals from Balanced Growth Fund	15,567	10,910
Contributions to other investments and securities	(6,173)	(14,993)
Withdrawals from other investments and securities	8,350	9,519
Purchases of real property	(636)	(480)
Purchases of other assets	(460)	(156)
Net proceeds from sale of assets	71,511	72,673
	73,181	62,747
Financing activities:		
Proceeds from collection of assets	34,055	25,982
Distributions to clients, beneficiaries and heirs	(121,137)	(104,662)
Transfers of unclaimed assets	(3,925)	(2,299)
	(91,007)	(80,979)
Decrease in cash and cash equivalents	(16,711)	(11,442)
Decrease in unrealized gain on Premium Money Market Fund	(651)	(756)
Premium Money Market Fund, representing cash and cash equivalents, beginning of year	449,298	461,496
Premium Money Market Fund, representing cash and cash equivalents, end of year	\$ 431,935	\$ 449,298

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017

1. Reporting entity:

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

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

This set of financial information reflects 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. Basis of preparation:

(a) Statement of compliance:

This financial information has been prepared in accordance with the principles of International Financial Reporting Standards (“IFRS”).

This financial information meets the requirements of Section 25 of the Act.

These financial statements have been authorized for issue by the Public Guardian and Trustee on July 4, 2017.

(b) Basis of measurement:

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

(c) Functional and presentational currency:

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

(d) Use of estimates and judgments:

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017

3. Summary of significant accounting policies:

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

(a) Recognition and measurement of financial assets and liabilities:

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

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

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

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

All financial liabilities are carried at amortized cost.

(b) Cash and cash equivalents:

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

(c) Measurement of real property:

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

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017

3. Summary of significant accounting policies (continued):

(c) Measurement of real property (continued):

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

(d) Revenue recognition:

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

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

4. Financial risk management:

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

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

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

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017

4. Financial risk management (continued):

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

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

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

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

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

Credit risk:

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017

4. Financial risk management (continued):

Liquidity risk:

Liquidity risk is the risk that a client account is unable to meet its financial obligations as they come due. PGT minimizes this risk by ensuring that client accounts hold sufficient cash funds to meet current liabilities and expenses and considers liquidity risk at March 31, 2017 and March 31, 2016 to be insignificant.

Interest rate risk:

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

Currency risk:

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

Other price risk:

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017

5. 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 target 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.

Credit risk:

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

	2017		2016	
	Amount	%	Amount	%
Segregated bonds:				
AAA	\$ 4,320	1	\$ 37,323	8
AA	52,214	12	20,085	5
A	91,307	21	103,558	23
	147,841	34	160,966	36
Money market:				
R-1 or better	279,518	65	289,540	64
Cash (overdraft)	4,576	1	(1,208)	-
	\$ 431,935	100	\$ 449,298	100

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017

5. Premium Money Market Fund (continued):

Interest rate risk:

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

	2017	2016
Cash (overdraft)	\$ 4,576	\$ (1,208)
Debt instruments:		
Less than one year	324,936	299,698
One to three years	98,150	83,647
Three years to five years	4,273	67,161
	\$ 431,935	\$ 449,298

As at March 31, 2017, if interest rates were to increase or decrease by 1%, with other variables held constant, the fair value of the PMMF, and accordingly, net assets, would have increased or decreased, respectively, by approximately \$5.4 million (2016 - \$6.0 million).

Currency risk:

As at March 31, 2017 and 2016, the PMMF is not exposed to currency risk as all PMMF securities are denominated in Canadian dollars.

Other price risk:

As at March 31, 2017 and 2016, the PMMF is not exposed to other price risk as all PMMF securities are fixed income instruments.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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

Year ended March 31, 2017

6. **Balanced Income Fund:**

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

Credit risk:

The BIF's maximum exposure to credit risk as at March 31, 2017 is \$23.8 million (2016 - \$23.0 million), representing the amount of debt instruments within the BIF at March 31, 2017. The BIF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration that is within 20% of the DEX Universe Bond Index.

Interest rate risk:

The BIF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2017, if interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BIF, and accordingly net assets, would have increased or decreased, respectively, by approximately \$1.2 million (2016 - \$1.2 million).

Currency risk:

The BIF's maximum exposure to currency risk at March 31, 2017 is \$11.7 million (2016 - \$11.6 million), representing the amount of international equity investments within the BIF at March 31, 2017, of which \$7.3 million (2016 - \$7.1 million), is exposed to US dollars and \$4.4 million (2016 - \$4.5 million) is exposed to other international currencies.

As at March 31, 2017, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have decreased or increased, respectively, by approximately \$0.2 million (2016 - \$0.2 million).

Other price risk:

The BIF's maximum exposure to other price risk as at March 31, 2017 is \$16.4 million (2016 - \$16.1 million), representing the amount of equity instruments within the BIF at March 31, 2017. 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, 2017, with all other variables held constant, would be an increase or decrease to the fair value of the BIF, and accordingly net assets, of \$1.6 million (2016 - \$1.6 million).

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7. **Balanced Growth Fund:**

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

Credit risk:

The BGF's maximum exposure to credit risk as at March 31, 2017 is \$48.6 million (2016 - \$41.3 million), representing the amount of debt instruments within the BGF at March 31, 2017. The BGF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration that is within 20% of the DEX Universe Bond Index.

Interest rate risk:

The BGF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2017, if the interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have increased or decreased by approximately \$3.0 million (2016 - \$2.8 million).

Currency risk:

The BGF's maximum exposure to currency risk at March 31, 2017 is \$46.4 million (2016 - \$42.4 million), representing the amount of international equity investments within the BGF at March 31, 2017, of which \$29.0 million (2016 - \$26.1 million) is exposed to US dollars and \$17.5 million (2016 - \$16.3 million) is exposed to other international currencies.

As at March 31, 2017, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have decreased or increased, respectively, by approximately \$0.9 million (2016 - \$0.8 million).

Other price risk:

The BGF's maximum exposure to other price risk as at March 31, 2017 is \$69.5 million (2016 - \$63.0 million), representing the amount of equity instruments within the BGF at March 31, 2017. 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, 2017, with all other variables held constant, would be an increase or decrease to the fair value of the BGF, and accordingly net assets, of \$6.9 million (2016 - \$6.3 million).

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8. Other investments and securities:

Other investments and securities are comprised of the following:

	2017	2016
Investment portfolios	\$ 73,644	\$ 74,641
Registered plans	42,046	35,518
Other	38,172	39,265
	\$ 153,862	\$ 149,424

The balance of other investments and securities is comprised of numerous individual client accounts, each managed in accordance with specific target asset mix policies. Each individual client account is exposed to credit, interest rate, currency and other price risks based on individual asset mix and holdings. In management's opinion, aggregation and presentation of these individual risk exposures and fair value hierarchy measurements (note 13) would not provide additional meaningful information.

9. Other financial assets:

Other financial assets are comprised of the following:

	2017	2016
Cash in external client bank accounts	\$ 9,613	\$ 5,325
Amounts receivable	4,458	5,133
	\$ 14,071	\$ 10,458

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

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10. Real property:

Real property includes land, buildings and manufactured homes. As at March 31, 2017, approximately 99% (2016 - 99%) of the fair value of real properties represents properties located in British Columbia.

11. Expenses:

(a) Client care and maintenance:

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

(b) Fees paid to the Public Guardian Trustee Operating Account:

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. When the PGT manages client funds, most of the applicable fees are calculated and taken or reserved automatically by the trust accounting system. For the year ended March 31, 2017, fees paid on behalf of clients, to the PGT was \$17,653 (2016 - \$18,247).

Amounts payable to the PGT Operating Account also include the recovery of various expenses that were advanced by the PGT and later charged back to client trust accounts. Normally on the second business day each month, the prior period's total fees and recovered expenses are remitted to the PGT Operating Account by means of disbursement transactions from PGT corporate clearing accounts.

(c) Professional fees:

Professional fees 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.

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13. Fair values:

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

Fair Value Hierarchy:

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

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

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

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

As at March 31, 2017 and 2016, the PMMF investments were fair valued using Level 1 inputs, based on the daily closing net asset value of the underlying fund.

As at March 31, 2017 and 2016, the BIF and BGF investments were fair valued using Level 2 inputs, based on the respective net asset value of each of the underlying funds.

As at March 31, 2017 and 2016, Real Property was fair valued using Level 2 inputs, based on the most recent appraisal carried out by a qualified independent appraiser contracted by the PGT.

Fair value information has not been provided for other investments and securities as management believes it would not provide additional meaningful information. The fair values of other financial assets and liabilities, which are carried at amortized cost in the financial statements, are also based on Level 2 inputs as while price quotations are available, the instruments are not traded in an active market. For each of the years ended March 31, 2017, and 2016, there were no significant transfers between the levels in the hierarchy.



PUBLIC GUARDIAN
AND TRUSTEE OF
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Public Guardian and Trustee of British Columbia
700 – 808 West Hastings Street
Vancouver BC V6C 3L3

www.trustee.bc.ca