

ADMINISTRATOR-GENERAL'S DEPARTMENT

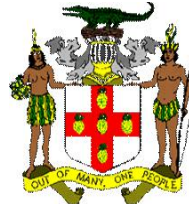
An Executive Agency

ANNUAL REPORT 2014 - 2015



Administrator-General's Department Annual Report 2014-2015





VISION STATEMENT

The Agency's Vision is to be an organization which delivers the highest quality service to persons who by law we are required to protect and to increase our output through continued improvement in practices and procedures thereby reducing significantly the level of outstanding cases and effectively responding to new cases.

MISSION STATEMENT

The Administrator-General's Department protects the interests of minors, beneficiaries and creditors of the estates that the law requires the Administrator-General to administer.

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LETTER TO THE MINISTER

April 25, 2016

Hon. Minister Delroy Chuck
Minister of Justice
61 Constant Spring Road
Kingston 10

Dear Hon. Minister:

In accordance with the requirements contained in section 15 (3) of the Executive Agencies Act and section 13.1 of the Financial Instructions to Executive Agencies, I hereby present the Annual Report of the Administrator-General's Department for the Financial Year 2014/2015.

The Report contains a copy of the Agency's audited Financial Statements for the said financial year.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Lona M. Brown'.

Lona M. Brown (Mrs.)
Administrator-General & Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S

The Administrator-General's Department ventured into the 2014/2015 financial year with a new thrust to deliver consistently excellent service to its beneficiaries, clients and customers with support from three major initiatives; the restructuring of the organization, the Amendment to the Administrator-General's Act and the procurement of a trust and estate management software (TEMS).



In collaboration with the Corporate Management Division (CMD) of the Ministry of Finance and Planning, the Agency continued its restructuring exercise during the year and in December 2014 approval was received for a total of 24 new posts. This will play a key role in the Agency's ability to meet its goals and objectives during the next three years as the workload per staff member will be reduced and will redound to improved levels of efficiency within the organisation.

The recommendations arising out of the restructuring exercise will be implemented in the next financial year subject to availability of funds and space.

The Bill to amend the Administrator-General's Act was tabled in the Houses of Parliament on December 18, 2014. This Bill is the product of collaboration between government and the private bar and is responsive to many of the difficulties being experienced by probate law practitioners, including the Administrator-General, in their efforts to administer deceased estates in a timely manner.

The significant reform is also in response to the need for measures to be adopted that will facilitate the transfer and ultimately the productive use of assets that have been in a dormant state for decades due to the inability to distribute them to beneficiaries.

This Bill will give the Administrator-General powers that will remove the need, in some cases, for an application to be made to the court for a grant of representation and will reduce the case load at the probate registry at the Courts.

The Agency continued its efforts to secure the service of a software developer to provide an enterprise wide Trust and Estate Management Software (TEMS) solution that will integrate data of the estate administration, property and trust accounting sections.

TEMS, when implemented will provide for improved efficiency as most of the manual systems will be fully automated and would eliminate the need for stand-alone databases which are currently being used.

In fulfilling its mandate, the Agency is cognizant of the tremendous volume of work involved and has embarked on these initiatives geared towards enhancing output and attaining the stated key performance indicators (KPI).

There were 25 targets that were agreed on with the Ministry of Justice, for the financial year. Of those targets, twenty-three (23) were assessed while approval was received to have one (1) deferred to the succeeding year while we await approval for deferral of the other.

While there were external factors that affected the achievement of some of these targets, throughout the year, the Agency worked assiduously in strengthening partnerships with other organisations and stakeholders in ensuring that all the targets that were assessed for the year were met or surpassed.

Of the 23 targets assessed, when compared with the cumulative target for the year, all targets were either met or surpassed indicated a 100% overall performance achievement by the Agency for the financial year.

The target relating to the procurement of a Trust & Estate Management System (TEMS) was deferred to the upcoming financial year, subsequent to the approval of the Permanent Secretary, Ministry of Justice while we await approval for deferral of the target relating to Risk Assessment.

The Grant of Letters of Administration gives the Administrator-General (A-G) authority to administer the assets that form a part of an estate. Through continued dialogue with our stakeholders, the Agency surpassed the target set for the number of Grants of Letters of Administration received from the Courts during the financial year. With an annual target of 130, the Agency received 176 Grants, exceeding the target by 35.0%.

The closure of estate files is an important target as it is the final output of the administration process that signifies that all the assets have been distributed to the beneficiaries. There were a number of estate files that the Agency was unable to close owing to numerous problems including cases with multi-generational issues. Notwithstanding this, for the year, the Agency surpassed the closure target by 65, closing 565 estate files against a projection of 500. This is 13% above the target.

The proposed amendments to the Administrator-General's Act and the planned reform to the laws relating to Probate and Administration, will facilitate the closure of more cases that present with multi-generational issues. The process involving the review of the proposed amendments to the legislation is far advanced and is high on the agenda of the Ministry of Justice. Once enacted, the amended legislation will serve to enhance the efficiency of the administration process and the closure of estate cases in backlog.

All financial indicators reflected positive variances as the Agency continued to focus on optimizing the net worth of estates under administration. The average interest rate received on estate funds which were invested for the year was 6.89%, compared to a target of 6±2%.

Revenue earned for the year amounted to \$132.48M, being \$30.48.2M above the target of \$102M, a positive variance of 29.88%.

Several cost-saving measures were implemented to reduce expenditure so that spending remains within budget. Expenditure for the year amounted to \$251.82M, against a budgeted amount of \$331.34M.

Sensitizing the public on the importance of Estate Planning including Will Preparation and the functions of the AGD remained a major focus of the Agency. During the year the Agency participated in 37 public education sessions including the Civil Services Week Exhibition at the Emancipation Park and the Denbigh Agricultural Show and the National Land Agency Roadshows which were held across the island.

Efforts were made by the Agency continued to focus on providing prompt and professional service to our clients and visitors and ensuring that beneficiaries were kept abreast of the progress of the respective estates.

The Agency being cognizant of the need for continuous learning and currency of information provided continuous internal and external training for staff members. At the end of the year 79.5% of the staff members had received an average of 3 hours training in areas that will impact their field of work.

Based on the dynamic nature of the organization, continued emphasis will be placed on training needs as we aim to have a cadre of staff who are equipped to efficiently execute the functions of the Department.

Our beneficiaries, especially the children, are very dear to this Agency. During the year, we were very proud to celebrate with them for being successful in their GSAT, CSEC and CAPE examinations. The celebration which also recognized the children of staff members in the same categories, took the form of an awards ceremony.

In addition to celebrating with our youthful beneficiaries, the Department also celebrated with our oldest beneficiary who attained an extraordinary milestone during the year as she attained her 100th birthday and received her special birthday card with the Queen's congratulatory message.

The members of the AGD family worked very hard during 2014/2015 in making it a successful year. We would like to express thanks to the Ministry of Justice, the Ministry of Finance, the Advisory Board and all other stakeholders who have supported the work of the Department in ensuring that we continue to execute our mandate and consistently meet our stated objectives.



Lona M. Brown (Mrs.)
Administrator-General & CEO

CITIZEN SERVICE STRATEGIES

Provide a level of customer service which ensures that customers' needs are met within available resources.

Ensure that relevant information is available to the public on the laws of intestacy, on making a Will and offer citizens advice on estate planning.

Provide a customer-friendly environment.

PRINCIPLES

The AGD has developed the following corporate principles for conducting its operations. It will:

not abuse its monopoly position as the central point for the administration of estates in intestacy;

closely monitor its costs and strive to operate with efficiency and only pass on the costs as fees for core services;

provide a safe and healthy environment for customers and staff;

consult its users and providers of information in order to work with them more effectively;

monitor customer needs and the extent to which the Agency is meeting them, improving the reliability, quality and accessibility of services as appropriate and affordable; and

discharge its functions with due regard to efficiency and economy and the Agency's financial objectives and performance targets.

ENTITY VALUES

The Administrator-General's Department prides itself on being an organization that holds true to the public sector values of working towards satisfying the needs and expectations of its customers within a unified culture of efficiency and integrity. The strategic objectives and performance measures are predicated on these values and are monitored consistently to ensure compliance with these objectives.

LEARNING, INNOVATION AND CHANGE MANAGEMENT

With this improved capacity and constant monitoring and analysis of performance, the Agency will become aware of the areas that may require change and an awareness of the tools required to achieve these changes. Staff will continue to be encouraged to cultivate a unique perspective as a means of generating innovative ways in which systems and procedures can be restated and improved.

RESULTS AND PERFORMANCE

Since the attainment of Executive Agency status in 1999, the Agency has developed a vibrant system of reporting to stakeholders, based on performance-based indicators that are measured and monitored on a monthly basis. Through collaborative strategic planning, areas of integration and linkages within the Agency are readily identified, assessed and used as a tool in the decision-making processes.

Many of the Agency's performance indicators are dependent on the time organizations and institutions take to respond to and submit requests to the AGD. When these services are not delivered in a timely manner, many of our deliverables are negatively impacted. To minimize these occurrences, the Agency

has been sensitizing these organizations about the unique position the AGD holds as Trustee for the benefit of minor beneficiaries and the need for the Agency to act with alacrity in the administration of estates.

LINKAGE TO VISION 2030

The Administrator-General's Department supports the Vision 2030, to make 'Jamaica, the place of choice to live, work, raise families and do business.'

The Agency will contribute to the attainment of the National Development Plan - Vision 2030 through alignment with National Outcome #6: Effective Governance. An assessment of our operations indicates that National Strategies 6.2, Reform of the Justice System, and 6.5, Strengthen public institutions to deliver efficient and effective public goods and services, are those to which the Agency is linked. We have established our agreed Key Performance Indicators under these two strategies.

The AGD has continued its focus on closing a number of estates that had fallen into backlog for a variety of reasons. Legislation has been proposed to facilitate the closure of multi-generational estates as this continues to be a major handicap in the closure of estates under the portfolio of the AG.

The proposal includes the amendment to the Administrator-General's Act. A Bill was tabled in the Houses of Parliament in December 2014. As the AG has no power to compel relatives of deceased's beneficiaries to move expeditiously in obtaining a Grant of LA, the implementation of the proposed amendments will assist tremendously with the closure of an increased number of backlog files with multi-generational issues.

When enacted, the Amendments to the Act will provide for reduction in the number of backlog cases within three years to five years while maintaining the currency of other matters being administered.

The Agency is fully aware of the importance of accurate data capture and management to the process of increased accountability and continued its emphasis on automating all processes related to estate management. The expected procurement of TEMS will provide integration of the various sections to facilitate quicker and smoother information flow in an electronic environment that is user friendly and capable of producing timely reports to our stakeholders.

KEY STRATEGIC OUTPUTS

In order to monitor its success in achieving its mission and strategic objectives, the AGD has identified the following key outputs:

investigations completed;
assets collected; and

assets managed and distributed.

The receipt of a Grant of LA, which is within the direct control of the Courts, is a key output in the process of estate administration. However, the AGD has developed performance indicators, which reflect the effectiveness with which it manages its relationship with the Courts, in order to minimize the turnaround time in which LAs are granted. This contributes greatly to the achievement of the final output of having estates closed in a timely manner.

The final output, together with outputs from other organizations, will contribute to the enhancement of justice as articulated by the Vision 2030 of Ministry of Justice.

FUNCTIONS OF THE ADMINISTRATOR-GENERAL'S DEPARTMENT

The functions of the Administrator-General's Department are encapsulated in the Mission Statement which is to *"protect the interests of minors, beneficiaries and creditors of the estates that the law requires the Administrator-General to administer."* The passage of the Administrator-General's Act in 1873 established the office of the Administrator-General's Department and the functions of the AG.

The law requires the Administrator-General's Department to administer:

- 1) Estates where persons have died intestate (without a Will) leaving beneficiaries under the age of 18 years
- 2) For estates where persons have died intestate leaving only adult beneficiaries, the AG issues consent by way of a Certificate of the AG
- 3) Estates where persons have died intestate and his/her estate consists solely of personalty valued less than One Hundred Thousand Dollars (\$100,000.00)
- 4) Testate Estates where:
 - a. the AG is appointed as Executor under a valid Will
 - b. a Testator did not appoint an Executor
 - c. the Executor died before the Testator
 - d. the Executor has renounced his/her executorship
- 5) Estates where a Court Order has been issued mandating that the Administrator-General extracts a Grant of Administration

- 6) Estates where a Court Order has been issued appointing the Administrator-General as the Trustee or Committee for a named beneficiary
- 7) Estates where the deceased persons were not survived by any eligible relatives and the residue of the estate will fall to the Crown as Bona Vacantia
- 8) Charitable Trusts dating as far back as the early 1900s.

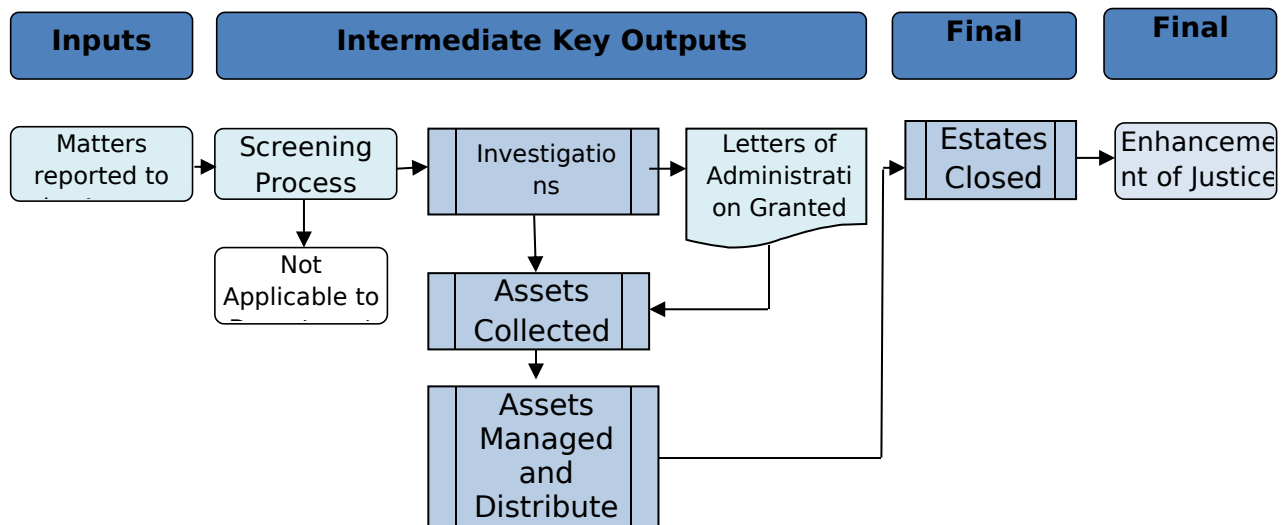
Certificates of the Administrator-General

The Civil Procedure Rules, 2002 mandated that all applications being made for a Grant of Letters of Administration by persons other than the Administrator-General for Jamaica must be accompanied by the Certificate of the Administrator-General.

The requisite documents must be submitted by the applicant before the Certificate of the AG is prepared for the signature of the A-G

PROCESS MAP

The relationship of these outputs to the final output and outcome is shown in the following process map.



THE ESTATE ADMINISTRATION PROCESS

Complete Form of Particular (FP)

A Form of Particulars, FP must be completed by the person reporting the death, or a relative of the deceased. An assessment is then done to ascertain whether the estate is one to be administered by the Administrator-General.

Commencement of Investigation

The information detailed on the completed FP will enable the Department to commence investigation to confirm the death, ownership of assets and the identity of the relatives who may possibly be entitled to benefit from the distribution of the assets.

Proof of Death

The death of the intestate must be confirmed by way of an original Death Certificate or Affidavit in Proof of Death.

Proof of Relationship

Section 4 of the Intestates' Estates and Property Charges Act, stipulates the category of relatives who are eligible to be recognised as beneficiaries, entitled to benefit from the estate, provided the requisite means of proof is received. Proof may be in the form of birth certificate, marriage certificate or a Court Order, depending on the relation being proven.

Grant of Administration

After investigation is completed, an application is made to the Courts for a Grant of Administration, which gives the Administrator-General the legal authority to administer an estate.

Small Estates

Section 53A of the Administrator-General's Act provides that where an estate consists of personalty and does not exceed One Hundred Thousand Dollars (\$100,000.00), the AG may collect the assets falling to the estate without the need for obtaining a Grant of Administration.

Identifying and Collecting Estate Assets

As Administrator of an estate, the AG has the sole legal authority, subject only to a decision of the Court, to hold and manage the assets, personalty and realty, of an estate for which the AG is named as the Administrator.

Personalty: The AGD is required to make enquiries of institutions reportedly holding asset(s) on behalf of the deceased's estate, after receipt of the Letters of Administration, to ascertain whether the proceeds are payable to the estate or a named beneficiary. An assessment is done thereafter to determine whether the matter is a small estate or if it requires an application for a Grant of Administration to collect the asset(s).

Realty: Where there is realty involved in the estate, a copy of the title, property tax receipt from Tax Administration Jamaica, with the deceased's name endorsed thereon as the owner, or conveyance is requested to confirm that the intestate has an interest in the property. Formal possession by the Department is done as soon as the LA is received.

Fatal Accident Proceeds

Legal action must be taken to recover proceeds from fatal accidents within a specific period as per the requirements under the *Fatal Accident Act* and the *Law Reform (Miscellaneous Provisions) Act* which provide the basis for the grant of an award of damages for wrongful death.

Managing Estate Assets

Upon collecting the assets, the Department has a responsibility to manage the assets of the estates in administration to the benefit of the beneficiaries and creditors, including the distributions for such things as the maintenance of minor beneficiaries. Managing the assets includes investing estate funds in prescribed instruments; maintaining properties and collecting rent and monitoring businesses forming part of estates.

Funeral Expenses

Funeral expenses are the first charge against an estate. Therefore, it is the duty of the Case Officer to honour the claim for funeral expenses when all the relevant documents have been submitted before making any other payments. The duly completed claim form and the original funeral receipts from the funeral home with the claimant's name endorsed as payee are to be submitted for processing the claim for funeral expenses. Funeral expenses may be settled before the deceased is buried.

Distribution of Estate Assets

Distributing the assets of the estates to adult beneficiaries and to minor beneficiaries as they attain the age of majority.

Personalty: Where an individual died possessed of shares in a company, whether a private or a listed company, the Case Officer is required to distribute same to the beneficiaries in accordance with the schedule of distribution found in *section 4 of the Intestates Estates and Property Charges Act*. However, if there is a claim against the, then the claim ranks in priority to distribution to a beneficiary.

Realty: Where an individual died possessed of realty the Case Officer is required to distribute same to the beneficiaries in accordance with the schedule of distribution found in *section 4 of the Intestates Estates and Property Charges Act*. However, if there is a claim against the estate, then the claim ranks in priority to distribution to a beneficiary.

Closure of File

Where a determination has been made that a file can be closed, the statement of account reflecting closing entries is done for the estate together with the relevant File Closure Note confirming that the file has been fully administered and closed.

AGD'S MAIN ACTIVITIES FOR 2014/2015

Revising the Corporate Structure

In collaboration with the Corporate Management Division (CMD) of the Ministry of Finance and Planning, the Agency continued its restructuring exercise during the year. The process which began in 2012 became necessary as the volume of work involved in the administration of estates was much too heavy to be managed by the existing complement of staff.

In December 2014 approval was received for a total of 24 new posts. There were also some changes made to the organizational structure. This will play a key role in the ability of the Agency to meet its objectives to increase productivity and manage estates efficiently and effectively. This will result in higher levels of output in all areas of the Agency's operation and will no doubt redound to improved levels of efficiency throughout the organisation.

The recommendations arising out of the restructuring exercise will be implemented in the next financial year subject to availability of funds and space.

Amendments to the Administrator-General's Act

A Bill to amend the Administrator-General's Act was tabled and received Cabinet approval in December 2014. This Bill is the product of collaborative efforts between the government and the private bar and is in response to many of the difficulties being experienced by probate law practitioners, including the Administrator-General, in their efforts to administer deceased estates in a timely manner.

The reform is also in response to the need for measures to be adopted that will facilitate the transfer and ultimately the productive use of assets that have been in a dormant state for decades due to the inability to distribute them to beneficiaries.

This Bill clothes the Administrator-General with powers that will remove the need, in some cases, for an application to be made to the court for a grant of representation. The Administrator-General will be empowered to issue his own Instrument of Administration, similar to a Grant from the Court in intestate estates with minor beneficiaries.

We anticipate that this will reduce the case load at the Probate Registry of the Supreme Court and the Resident Magistrate's Courts.

Over the years, in its efforts to fulfil its mandate, the Department has accumulated its own backlog of cases that have not been administered due largely to the:

Inability to proceed due to the death of primary and secondary beneficiaries (multi-generational estates) which make up the bulk of the backlog;

Beneficiaries inability to obtain required certificates from the Registrar General's Department (RGD);

Beneficiaries unable to produce proof of paternity

Delays in obtaining Grants from the Supreme Court and the Resident Magistrates courts

For the multi-generational estates, the primary difficulty is the need for a grant of representation to be issued in the estate of each beneficiary where the relatives of deceased beneficiaries are unable to provide the documentation required to be submitted in support of the application for the Grant. The problem is further complicated by the passage of time and the passing of a secondary and even tertiary level of beneficiaries.

These difficulties will be significantly reduced as the Bill, by amending the Administrator-General's Act provides a mechanism for the Administrator-General to distribute the assets of such estates without having to take a grant of representation in the Court.

With the enactment of the Bill, the Administrator-General will be given powers that will remove the need, in some cases, for an application to be made to the Court for a Grant of Representation. The proposed amendments to the Act concentrated on two main areas:

- a. allow the Administrator General to generate her own Grants of Administration without having to apply to a Court in cases where a person died intestate leaving a minor beneficiary
- b. authorise the closure of multigenerational estates where the steps as outlined in the proposed legislation were duly observed by the Administrator-General.

The Bill, when enacted will significant impact the operations of the Administrator-General's Department as it will aid in the closure of backlog cases and reduce the time taken to address current matters.

PROCUREMENT OF TRUST AND ESTATE MANAGEMENT SOFTWARE (TEMS)

Despite the many attempts and consultations with several domain experts over the past three years, the Agency has been unsuccessful in identifying a suitable developer as it encountered various challenges that hindered the procurement of TEMS.

Consequently, it utilized other available options during the financial year as it sought to make the procurement of TEMS a reality.

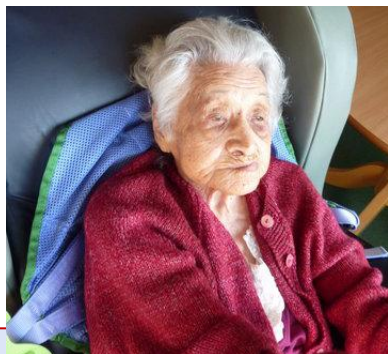
In an effort to ensure success at this juncture, the Agency contracted the services of eGov Jamaica Limited (eGov) to manage the procurement process.

Following the termination of the last procurement process in 2013/2014; due to the cost being far in excess of the Department's comparable estimate and the proposed introduction of a new partner by the bidder, the Department reengaged eGov to restart the procurement process during 2014/2015.

A pre-tendering exercise was undertaken by eGov and a report was received in January 2015 recommending a shortlist of six prospective vendors to be invited through the Limited Tender method. Approval was given for the Limited Tender method and the RFQ was reviewed and ready for a restart of the process.

Based on the recommendations from eGovJa, the Agency is of the view that a suitable provider will be identified in the 2015/2016 financial year, to commence automation of the various processes.

RECOGNISING our OLDEST BENEFICIARY - A CENTENARIAN!



Imagine the exquisite delight of the family at AGD as we watched the patient innings of

Linda Pilliner who brought up her 100 in March 2015!

Linda, the only surviving of five beneficiaries in the Crosbie estate, came to us by way of the provisions of her father's will of March 1927. On the 28th day of October 1928, William Crosbie, Surgeon

Dentist, after making several specific bequests, named the Administrator-General for Jamaica as the Executor and Trustee of a Trust Fund for the benefit and advancement of his wife and children.

It was indeed a proud moment for us as we celebrated with our 'Centenarian Girl'. 100 not out is no ordinary feat and is well deserving of the resounding applause heard whether at Lords, Sabina Park or throughout the arena of life.

The family at AGD is blessed to have a beneficiary in its care who has attained an extraordinary milestone. Like any pleased parent, the AGD recognised Linda with deserving respect and a deep seated sense of pride as she became the proud recipient of her special birthday card from Queen Elizabeth II with her congratulatory message.

The Administrator-General in the capacity as Trustee, has been managing this Trust and

seeing to the welfare of the beneficiaries both in Jamaica and overseas. The Department continues to maintain the trust.

In late 2005 after the death of her last sibling Linda relocated to Somerset in England where she now resides with her daughter who has maintained a close relationship with the Department.

Lona Brown, Administrator-General, maintains regular communication with Maureen, Linda's daughter, who keeps her up-to-date on her mother's wellbeing. Mrs. Brown will be travelling to the UK in the latter part of November 2015 and one of the highlights of her journey will be visiting with Linda and her daughter in Somerset.

Taking care of our beneficiaries is not a transaction – it is a relationship and the AGD treasures this enduring and endearing bond with Linda.

CELEBRATING EXCELLENCE: RECOGNISING OUR STUDENTS

The AGD hosted its first Awards Ceremony in August 2014 to celebrate the academic success of beneficiaries and children of staff

A proud CAPE beneficiary receives award from SAT, Administrator-General, Lona Brown

Our work as Personal Representative of estates significantly impacts the lives of many persons who are beneficiaries, especially those who have not yet attained the age of eighteen years.



Where funds are available in estates, it is our duty to provide for the welfare of these

young beneficiaries and keep track of their progress in school. This is our mission to protect the interests of minor beneficiaries in estates that we administer.

A proud GSAT beneficiary
Administrator-C

These recipients excelled in their Academic endeavours despite the loss of a parent.

This occasion also afforded us the opportunity to recognise the children of members of staff for their academic success during the period.

The students were presented with a Certificate of Excellence and a gift package with back-to-school supplies. In addition some were given cash awards for outstanding performance in their examinations.

It is the intention of the Agency to make this function an annual event.

RECOGNISING OUR EMPLOYEE OF THE YEAR

KARL ANTHONY ALLEN



The Agency takes pleasure in congratulating Karl Allen, the 2014/2015 Employee of the Year. Karl was selected from among three shortlisted employees and the award appropriately reflects the high regard in which he is held by members of staff.

It is no surprise that Karl has been chosen as he is well-known for his hard work and dedication. He joined the Agency on September 18, 2003 as a Case Officer. He immediately impressed as one who desired to learn all facets of the work and went about this with quiet enthusiasm and a sense of purpose.

He performs his tasks professionally and ensures that



every minute of the work day is spent carrying out his numerous duties. Karl has an unassuming and down to earth persona which engages one during conversation. In recognition of his dedication and knowledge of his cases as well as leadership potential Karl was promoted to the post of Senior Case Officer in October of 2007. In 2009 he was transferred to help spearhead the newly formed Backlog Branch which handles closure of the Department's older files. His background in history greatly helps with research on these files.

Karl enjoys discussions on issues emanating from the estates within his portfolio and one can be assured that he will bring a new solution oriented angle to problems generated from these cases.

He is well equipped to perform his functions as he holds a B.A. in History and a Master's degree in Humanities and Education. Further, at the Department he became interested in the field of Law and successfully studied and earned an LLB degree.

Karl is always cognisant of the importance of his role as a Senior Case Officer and tries at all times to maintain his high standard of performance and excellent work ethic. He is indeed an excellent role model for his peers and other staff members.

He did combine duty with some pleasure and the AGD football team once benefitted from his skills as a player and was a member of the line-up as late as 2013.

The Department acknowledges Karl's dedication and hard work and salutes him on this worthy achievement.

HIGHLIGHTS OF

The Agency's key performance indicators are linked to the six strategic objectives that were set for the financial year. They encompass both financial and non-financial measures and form the basis on which the Agency's performance is assessed.

STRATEGIC OBJECTIVE ONE:

Assess the entitlement and provide timely distribution of assets to beneficiaries and creditors to expedite closure of estates and improve customer satisfaction.

KPI 1: Average time for Letters of Administration Application from Date of Receipt of Form of Particulars.

All matters reported to the Agency are investigated to ascertain proof of death, the existence of assets and minor beneficiaries. During the year, a total of 381 cases were reported to the Agency.

The average time taken to complete investigations and refer the relevant documents for an application to be made to the Court for Grant of Letters of Administration was 9.36 weeks against a target of 16 weeks. This represented a positive variance of 41.5% above target.

KPI 2: Average time for Lodgment of Application for Grant of Letters of Administration from Date of Receipt of Referral.

Having completed the investigations, the Agency then prepares documents for the application of Grant of Administration for filing in the applicable Courts.

For the year, the average time taken for lodgment of applications for Grants of Letters of Administration was 1.96 weeks against a target of 2 weeks, a positive variance of 2%.

KPI 3: Number of Letters of Administration applications filed.

A Grant of Letters of Administration from the Court provides the Administrator-General with full legal authority to act on behalf of an estate.

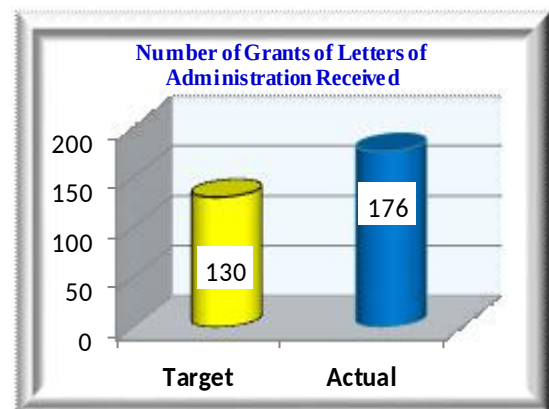
Agency filed 201 applications for Grants of Letters of Administration with the Courts against a target of 140, a positive variance of 43.6%.

At the end of the financial year, the

KPI 4: Number of Grants of Letters of Administration Received.

During the year, the Department received a total of 176 Grants of Letters of Administration from the Courts against a target of 130. This resulted in a positive variance of 35.4%.

This result is due in part to continuous follow-up processes with the Courts. The Agency will continue to build on the good relationship that exists.



KPI 5: Average Time Taken Per Estate for Cash Assets to be Collected From Date of Receipt of Letters of Administration

The Grant of Letters of Administration gives the AG the authority to collect all assets of the estate. Collection of cash assets allows the AG to manage and invest estate funds, pay liabilities and maintain minor beneficiaries.

For the year under review, an average of 7.14 weeks was taken to collect cash assets against a target of 12 weeks. This was 40.5% above the target.

KPI 6: Average time taken per estate for realty assets to be collected from date of

receipt of Letters of Administration

The Grant of Letters of Administration empowers the Administrator-General with legal authority to take charge of premises belonging to an estate.

Formal possession to take charge of

For the period, the average time taken to take formal possession of property belonging to estates, after receiving a Grant of Letters of Administration was 1.24 weeks. This is a positive variance of 50.4% above the target of 2.5 weeks.

KPI 7: Number of estates closed

The closure of estate files is an important objective of the Agency as it is the final output in the administration process and signifies that all the assets have been distributed to beneficiaries.

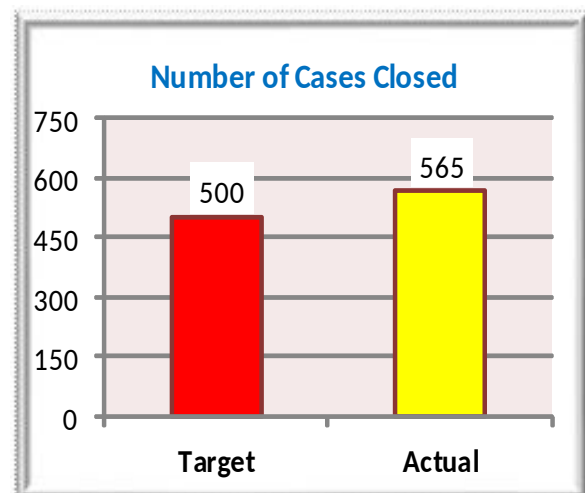
During the year, closures amounted to 565 against a target of 500, 65 more closures than targeted and a positive variance of 13%.

The Agency has over 2000 cases which cannot be closed due to multi-generational issues. These are matters where the deceased died but before the administration of his estate could be completed, the beneficiaries of that estate also died and their estates, in turn, have no representation.

Without representation of the secondary estate the primary one cannot be closed as there is no legal representative to facilitate the transfer of property from the primary estate.

The proposed amendments to the Administrator-General's Act and planned

reform to the laws relating to Probate and Administration, will greatly facilitate the closure of these multi-generational estates.



KPI 8: Index of customer satisfaction on service rendered

The AGD provides a wide range of services to its steady inflow of beneficiaries and clients, persons making general enquiries and Attorneys-at-Law and recognizes the importance of delivering excellent customer service in the execution of its mandate.

As a consequence, the delivery of quality client service is a key focus of the Agency's strategic direction and continuous emphasis is placed on meeting the expectations of customers in a satisfactory manner.

In addition to the administration of estates, the Agency also assist with accessing funds

from financial institutions for funeral expense and facilitates the transfer of motor vehicles to spouses.

Communication with our beneficiaries and clients is very vital to the various processes and is enabled through face-to-face contact and various electronic and other. The customer service strategies utilised have enabled us to obtain an index for customer satisfaction of 94.5%, which was 11.2%

Public Education

The AGD considers public education to be an integral conduit to advising persons of the functions of the Administrator-General, the estate administration process as well as the importance of proper estate planning.

In this regard, the Department participated in various public relations sessions both in the public and private sectors, disseminating vital information.

During the year, the Agency participated in a total of 37 public relations sessions where presentations were made to the various groups.

As the need demand for the Agency's participation in these sessions for public education increased, it became necessary to

media channels. Our website also provides valuable information to the public.

As it is our duty to take care of our beneficiaries, we continue to make improvements in processes in order to raise the bar to a very high level and exceed their expectation.

above the target of 85% and is a reflection of the efforts made to throughout the period.

have a Public Education Manager to direct this crucial aspect of the Agency's operation. Approval was subsequently given by the Ministry of Finance and Planning for the recruitment of a Public Education Officer, who will take up employment in the January 2015.

The Agency's enhanced website is also a tool used for sensitizing the public about the operations of the Department and it hosts information including properties and motor vehicles for sale, properties for rental, and also advertisements geared at ascertaining the whereabouts of beneficiaries.

We will continue to utilize various creative strategies to educate the public with information that is vital to the estate administration process.

STRATEGIC OBJECTIVE TWO:

Optimize the net worth of each estate within the law to maximize the value that will accrue to beneficiaries.

KPI 9: Number of estate accounts completed

Statements of Accounts are required in order to ascertain the financial position of each

estate and particularly before the final distribution is made to beneficiaries.

For the year under review, a total of 1,652 accounts were completed. This was 37.7% above the target of 1,200.

The trust accounting process is a manual one and transactions are manually updated on a daily basis.

We anticipate that the procurement of the much needed Trust and Estate

KPI 10: Average percentage return on estate funds invested

Estate funds were prudently invested to ensure that the return on estate assets is maximised while ensuring that there is adequate liquidity to meet estate obligations throughout the year.

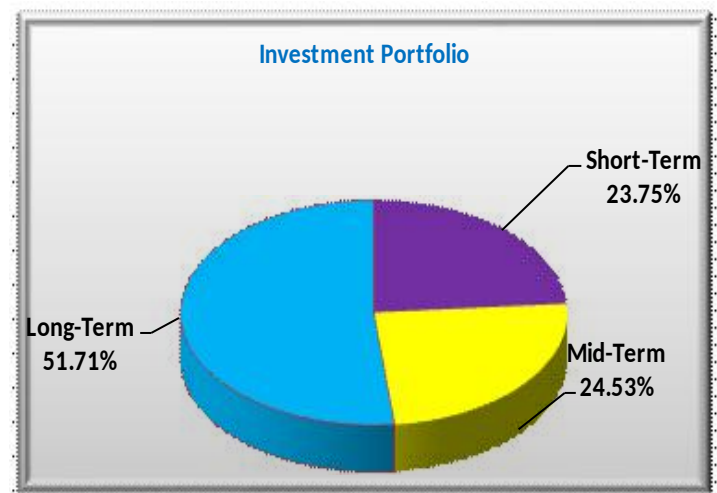
The Administrator-General's Act provides that estate funds must be invested in secured instruments thereby eliminating the risks of loss.

For the year, the average percentage return on investment of estate funds was 6.89% against a target of 6±2%, a positive variance of 14.83%.

At the end of the year, the Agency's estate investment portfolio stood at \$2.111B.

Administration Software (TEMS) in 2015/2016, will address the issues associated with the manual accounting process.

TEMS, when implemented will automate the accounting processes resulting in all estate accounts being maintained with up-to-date records and allow for automated Statements of Account.



Payments to beneficiaries and estate expenses during the year amounted to \$537.79M.

KPI 11: Percentage of tenants against whom action taken to recover rent by the end of the third month in arrears - 95%

At the end of the year, there were 474 tenants in occupation of 220 estate properties of which 209 tenants were in arrears.

For the year, legal action for collection of rental arrears and/or possession of property was taken against 203 or 97.13% of all tenants in arrears for three months.

Legal action initiated included the filing of claims for rental arrears and/or recovery of

possession against 130 tenants and the serving notices to quit on 73 tenants.

The backlog cases account for a large proportion of the estates that are in arrears. These cases are multi-generational in nature and the Department is unable to close the case as there is no legal representative to facilitate a transfer of property from the primary estate, which would effectively reduce the number of tenanted properties being managed.

The proposed amendment to the Administrator-General's Act, when enacted, will assist in the closure of many of these

backlog estates with properties and thereby reducing the issue of rental arrears.

KPI 12: Percentage of insurable properties insured – 100%

The Agency's property portfolio consists of over 4000 properties of which approximately 1000 are improved (properties with buildings). Due to the high level of risk associated, it is the policy of the AGD to insure all estate properties that are deemed insurable, subject to the availability of funds in the respective estates.

During the year, the Agency insured 100% of the estate properties that were deemed insurable and where funds were available

The general maintenance of the properties often times poses a challenge as they are located throughout the island.

As the number of Property Administrators were not sufficient adequately serve the number of properties, submissions were made to the Ministry of Finance & Planning

to have an increase in the number of Property Administrators and to have some current posts upgraded to senior positions.

Consequently, approval was given for the employment of three Senior Property Administrators and one Property Maintenance Officer while one Property Administrator's post was upgraded to Senior Property Administrators.

The Agency has also been exploring the possibility of opening pilot offices at strategic locations across the island in the ensuing financial year to enhance the efficient maintenance of the property portfolio.

STRATEGIC OBJECTIVE THREE:

Review the effectiveness of legislation, policies and procedures and make recommendations for amendments to further enable achievement of Agency's objectives.

LEGAL REFORM

KPI 13: Provide progress reports to the Chief Executive Officer on proposed legislative reform submitted to the Ministry of Justice.

An internal Legal Reform Committee comprising in-house Attorneys-at-Law reviews legislation relevant to the Department which will facilitate greater efficiencies in the performance of its statutory duties.

During the year, there was much focus on the reform of the Administrator-General's Act and other Laws of Succession. Progress reports were submitted to the CEO and the end of each quarter as stipulated.

We were a part of the Committee, led by the Hon. Minister of Justice, to examine amendments to the Administrator-General's

Act and other pieces of legislation which impact Probate and Administration.

The Committee also comprised representatives of both the private and public Bar.

Based on these discussions, the Chief Parliamentary Counsel drafted a Bill to amend the Administrator-General's Act.

The Bill was approved by Cabinet in the third quarter for introduction in the Houses of Parliament and was placed on the agenda of the Senate in the last quarter.

The Department looks forward to the passage of the Act which will benefit the Department by facilitating more timely distribution of assets and closure of estates.

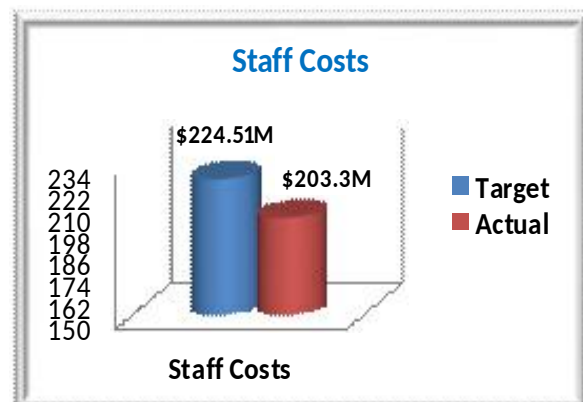
STRATEGIC OBJECTIVE FOUR:

Provide strategic planning and direction and ensure the cost-effectiveness of the Agency's operations through prudent financial management.

KPI 14: Staff Costs Managed within Budget

Staff costs represent a combination of all salary-related items including travel and subsistence payments. For the period, a total \$203.3M was expended for staff costs, 9.4% below the budgeted amount of \$224.508M.

The saving was as a result of amounts budgeted to cover cost to employ new staff approved by the Ministry of Finance & Planning, in December 2014 based on the restructuring exercise. However, based on the time approval was received, there was not sufficient time to complete the recruitment process in the year. Consequently,

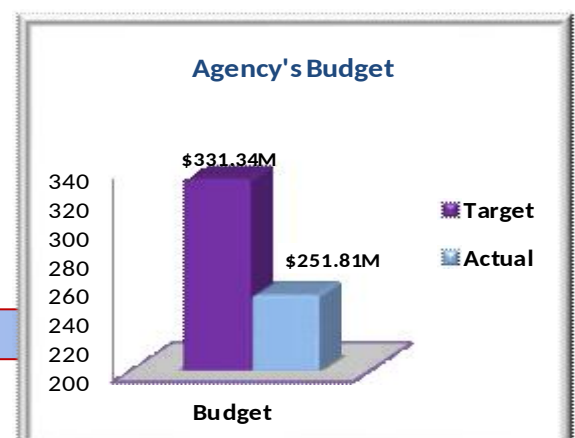


employment will be completed within the first quarter of 2015/2016.

KPI 15: AGENCY'S BUDGET MANAGED EFFECTIVELY

For the year, the Agency expended a total of \$251.81M of its budget. This was 24% or \$79.53M below the projected expenditure of \$331.347M.

In addition to the under expenditure mentioned in relation to staff costs, there



were amounts reserved for the procurement of the Trust and Estate Management

Software which was deferred to the 2015/2016 financial year.

KPI 16: Revenue Earned

Revenue earned for the year amounted to \$132.48M against the projected amount of \$102.00M, a positive variance of 29.9%.

The variance resulted primarily to an

improvement in the inflow of legal fees resulting from an increase in the number of Grants of Letters of Administration received. The Grant enabled the collection of the assets of these estates and the payment of legal fees to the Department.

KPI 17: Strategic Business Plan to be Submitted to the Ministry of Justice

The preparation of the Strategic Business Plan is an important process as it outlines the strategic direction of the Agency and defines key objectives over the next three years. The planning process which began in October 2014 ensured that the Plan was ready for submission in accordance

with the Financial Administration Audit (FAA) Act.

The Plan was submitted to the Ministry of Justice, through the Permanent Secretary on December 29, 2014 against a targeted date of January 15, 2015.

STRATEGIC OBJECTIVE FIVE:

Further develop the electronic environment and integrate critical business processes to ensure improved efficiency, productivity and security of information.

KPI 19: PROCURE SERVICES OF ESTATE MANAGEMENT SOFTWARE DEVELOPER (Actual procurement based on availability of funds)

The Agency has been seeking to implement a Trust and Estate Management Software, (TEMS), that will automate all areas of the

operation as the system now being used does not have the capacity.

Despite the many attempts at procuring the software, and consultations with several domain experts over the past three years, the Agency has not been successful in identifying a suitable developer.

In an effort to ensure success at this juncture, the Agency contracted the services of eGov Jamaica Limited (eGovJa) in October, to manage the current procurement process. eGovJa has conducted research and analysis and provide the Agency with a

comprehensive report containing several recommendations.

The next procurement process is scheduled to commence in the first quarter of 2015/2016.

As a result of the difficulties in procuring the services of a suitable software developer, a request was made to the Permanent Secretary for the KPI to be measured in the 2015/2016 financial year.

KPI 20: REVIEW INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) INFRASTRUCTURE & SUBMIT RECOMMENDATIONS

Each year, a review of the ICT infrastructure is conducted in order to identify the software and hardware needs. An assessment of the hardware infrastructure was conducted and recommendations submitted in October 9, 2014 for inclusion in the 2015/2016 budget. This was due for submission on October 14, 2014.

Several recommendations were for major upgrade to the information technology network infrastructure. Among the recommendations were the procurement of

two new servers to host the Agency's information, procurement of switches to facilitate routing of information both internally and for the proposed office in the western region, upgrade of the Agency's network in preparation for TEMS, purchase of additional computers for new staff and the introduction of virtual desktops over the next two years.

Favourable consideration was given to some of the recommendations and implementation commenced during the year.

KPI 21: MAINTAIN SECURITY OF AGENCY'S INFORMATION

During the year, the Agency upgraded its *McAfee* End Point Software and continues to use the SonicWall firewall which provides adequate security for the

Agency's Information and Communication Technology infrastructure as outlined in the schedule.

KPI 22: MAINTAIN BACKUP OF AGENCY'S DATA

In order to ensure that mission-critical data is backed-up, adequately available and in the event of a data loss, the data can be recovered within a short period of time.

utilizing three media; onsite, locally off-site and in the cloud according to an established schedule.

In order to facilitate business continuity and to provide ease of access to information, all the Agency's databases are backed-up daily

Having information stored in multiple locations ensure that in the event the

back-up fails in one location, then the required data may be accessed from the other locations.

STRATEGIC OBJECTIVE SIX:

Provide a highly functional work environment where staff members are motivated competent and properly equipped to perform at the highest level.

KPI 23: PERCENTAGE OF STAFF RECEIVING AN AVERAGE OF 3 HOURS TRAINING

One of the Agency's priorities throughout the year was to provide training for all staff members, in various areas that would help to better equip them to execute their responsibilities.

At the end of the year, 98% of staff participated in training sessions for at least three hours. This was in comparison to 70% targeted.

The training provided was designed to improve output, competence and service

delivery in many aspects of the estate administration process.

Several skills training sessions were also conducted to improve understanding and effectiveness on the job, particularly in the areas of customer service, leadership, information communication and technology and business practices.

Members of staff also benefitted from training workshops organized by the Ministry of Justice.

KPI 24: ANNUAL PERFORMANCE APPRAISALS FOR EMPLOYEES

The timely evaluation of performance enables the Agency to identify the training needs of the staff and provide opportunities for management interventions to address deficiencies in technical competence and any other area, where required.

All the annual performance appraisals for employees were submitted by July 31, 2014 as targeted.

ADMINISTRATION

KPI 25: FIXED ASSETS MANAGED AND MAINTAINED

Measures were implemented to ensure the longevity and utility of the Agency's fixed assets and this contributed to a reduction in

the expenditure related to the maintenance of the assets.

Throughout the year, the Agency conducted scheduled maintenance activities on the printers, computers, copiers and motor vehicles to ensure maximum efficiency and preservation of the useful life of the equipment.

These activities were conducted in accordance with the fixed assets maintenance schedule established for the period.

APPENDICES

APENDIX I

RESULT OF KEY PERFORMANCE INDICATORS 2014-2015

TARGET #	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2014/2015	CUMULATIVE ACTUAL	VARIANCE
INVESTIGATIONS COMPLETED				
CP1	Average time for referral to Legal Services for Letters of Administration application from date of receipt of Form of Particulars reporting death <i>[Operations]</i>	16 weeks	9.36 weeks	41.5%↑
LETTERS OF ADMINISTRATION				
CP2	Average time for lodgment of application for Grant of Letters of Administration from date of receipt of referral <i>[Legal Services]</i>	2 weeks	1.96 weeks	2.0%↑
CP3	Number of Grant of Letters of Administration applications filed <i>[Legal Services]</i>	140	201	43.6%↑
CP4	Number of Grants of Letters of Administration received <i>[Legal Services]</i>	130	176	35.4%↑
ASSETS COLLECTED				
CP5	Average time taken per estate for cash assets to be collected from date of receipt of Letters of Administration <i>[Operations]</i>	12 weeks	7.14 weeks	40.5%↑
CP6	Average time taken per estate for realty assets to be collected from date of receipt of Letters of Administration <i>[Operations]</i>	2.5 weeks	1.24 weeks	50.4%↑
ESTATES CLOSED				
CP7	Number of cases closed <i>[Operations]</i>	500	565	13.0%↑
CUSTOMER SERVICE				

TARGET #	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2014/2015	CUMULATIVE ACTUAL	VARIANCE
CP8	Index of customer satisfaction on service rendered <i>[Operations]</i>	85.0%	94.5%	11.2%↑
TRUST ACCOUNTING				
CP9	Number of estate accounts completed <i>[Trust Accounting]</i>	1200	1,652	37.7%↑
INVESTMENT				
CP10	Average return on Investment (Estate Funds) <i>[Trust Accounting]</i>	6±2%	6.89%	72.3% above the lower limit of 4%
PROPERTY				
CP11	Percentage of tenants against whom action taken to recover rent by end of the third month in arrears <i>[Property]</i>	95.0%	97.13%	2.24%↑
CP12	Percentage of insurable properties insured (based on availability of funds) <i>[Property]</i>	100%	100%	(Target Achieved)
LEGAL REFORM				
CP13	Provide progress reports to Chief Executive Officer on proposed legislative reform submitted to the Ministry of Justice <i>[Operations]</i>	June 28 Sept 30 Dec 31 Mar 31	Reports submitted: June 27, Sept 30, Dec 30 & Mar 30	(Target achieved)
FINANCE				
CP14	Staff costs managed within budget <i>[Finance]</i>	\$224.508M	\$203.29M	9.5%↑
CP15	Agency's budget managed effectively <i>[Finance]</i>	\$331.343M	\$251.81M	24.0%↑
CP16	Revenue earned <i>[Finance]</i>	\$102.00M	\$132.50M	29.9%↑
CORPORATE AFFAIRS				
CP17	Business Plan to be submitted to the Ministry of Justice <i>[Corporate Affairs]</i>	Jan 15	Business Plan submitted Dec 2014	(Target achieved)

TARGET #	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2014/2015	CUMULATIVE ACTUAL	VARIANCE
CP18	Develop Risk Management Framework [Corporate Affairs]	Sept 30	Permanent Secretary, MOJ approved deferral to 2015/2016	Deferred to 2015/2016
INFORMATION TECHNOLOGY				
CP19	Procure services of estate management software developer (Actual procurement based on availability of funds) [Information Technology]	Mar 31	Permanent Secretary, MOJ approved deferral to 2015/2016	Deferred to 2015/2016
CP20	Review the Information and Communications Technology (ICT) infrastructure & submit recommendations to the CEO [Information Technology]	Report to be submitted by October 14	Report submitted October 9, 2014	(Target achieved)
CP21	Maintain security of the Agency's information [Information Technology]	As per schedule submitted	As per schedule submitted	(Target achieved)
CP22	Maintain backup of the Agency's data [Information Technology]	As per schedule submitted	As per schedule submitted	(Target achieved)
HUMAN RESOURCE				
CP23	Percentage of staff receiving an average of 3 hours training [Human Resource & Administration]	70.0%	79.5%	13.6%↑
CP24	Submit annual performance appraisals for employees [Human Resource & Administration]	July 31	July 31	(Target achieved)
ADMINISTRATION				
CP25	Fixed assets managed and maintained [Human Resource & Administration]	As per schedule submitted	As per schedule submitted	(Target achieved)

APENDIX II

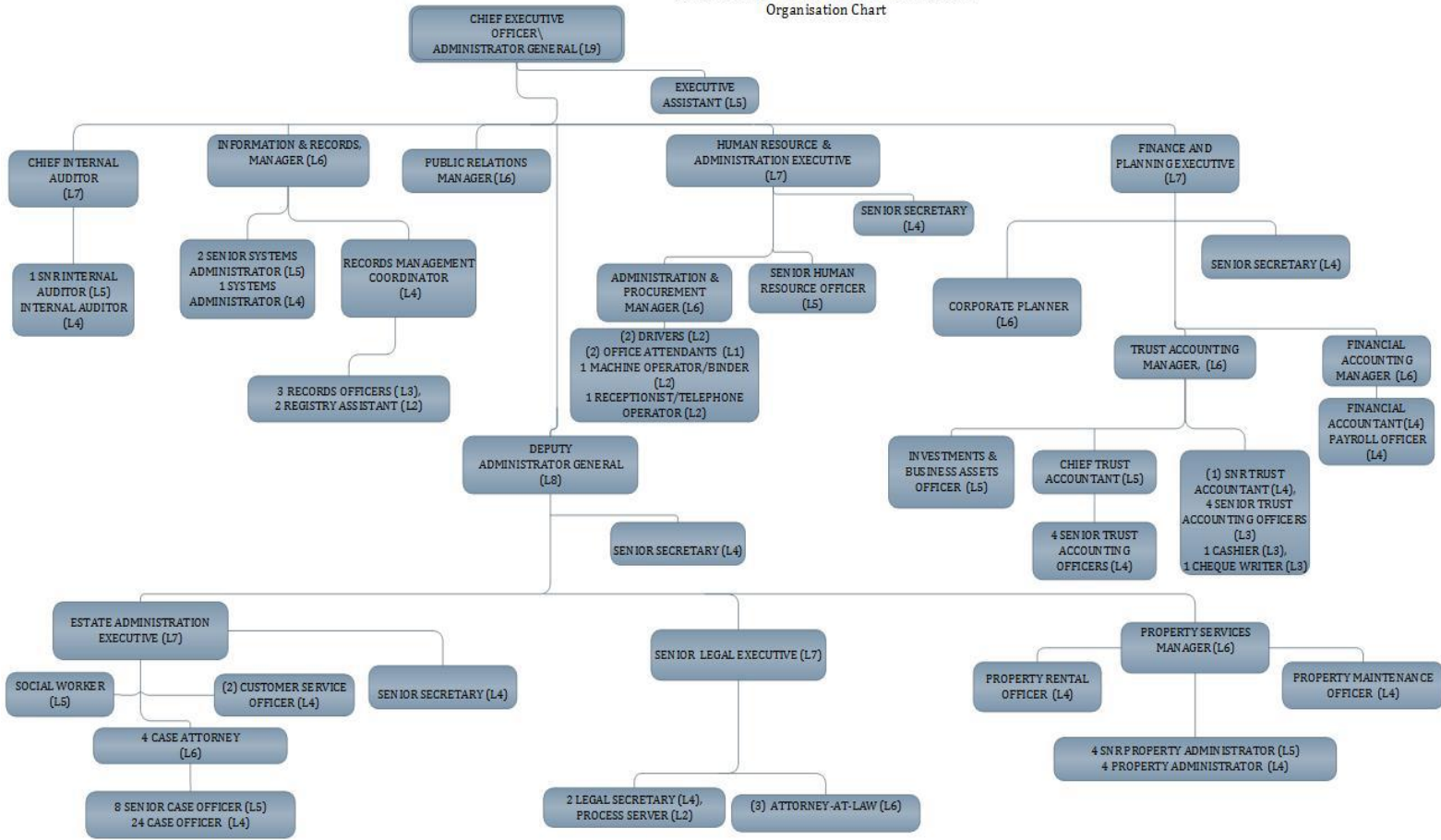
Administrator-General's Department - Post Levels

PREVIOUS LEVELS	NEW LEVELS (As at December 1, 2014)
Grade 1	Level 9 (AG/CEO)
Grade 2	Level 8 (DAG)
Grade 2	Level 7 (Senior Directors)
Grade 3	Level 6 (Managers/Senior Professionals)
Grade 4a	Level 5 (Professional/Senior Technical Staff)
Grade 4b	Level 4 (Para-Professional/Administrative Staff)
Grade 5a	Level 3 (Administrative & Support Staff)
Grade 5b	Level 2 (Clerical Staff)
Grade 6	Level 1 (Support Staff)

APENDIX III

Revised Organisational Structure

ADMINISTRATOR GENERAL'S DEPARTMENT Organisation Chart



APENDIX IV

ADMINISTRATOR-GENERAL'S DEPARTMENT

FINANCIAL STATEMENTS

MARCH 2015

**Administrator General's Department
Financial Statements
March 31, 2015**

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Statement of Changes in Equity	3
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Notes to the Financial Statements	5 – 14
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AUDITOR GENERAL'S DEPARTMENT
40 Knutsford Boulevard
P.O. BOX 455
KINGSTON 5
JAMAICA

ANY REPLY OR SUBSEQUENT REFERENCE
TO THIS COMMUNICATION SHOULD BE
ADDRESSED TO THE AUDITOR GENERAL
AND NOT TO ANY OFFICER BY NAME
AND THE FOLLOWING REFERENCE
QUOTED: -

Tel. No.: 926-8309/926-5963/926-5846
Fax Number: 968-4690
Email: audgen@auditorgeneral.gov.jm

INDEPENDENT AUDITOR'S REPORT

**To the Chief Executive Officer/Administrator General
Administrator General's Department**

Report on the Financial Statements

I have audited the accompanying Financial Statements of the Administrator General's Department, set out on pages 1 to 14, which comprise the Statement of Financial Position as at March 31, 2015, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the 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 the auditor's 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, the auditor considers 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the Financial Statements give a true and fair view of the financial position of the Administrator General's Department as at March 31, 2015, and of its Statement of Financial Performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Report on Additional Requirements of the Executive Agencies Act

I have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit. In my opinion, proper accounting records have been maintained and the Financial Statements are in agreement therewith and give the information required in the manner so required.


.....
Auditor General

2015.10.10
Date

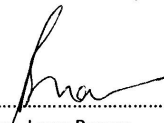
ADMINISTRATOR GENERAL'S DEPARTMENT
Statement of Financial Position
As at March 31, 2015

	<u>Note</u>	<u>2015</u> \$	<u>2014</u> \$
Non-current assets			
Property, plant and equipment	4	8,671,679	10,371,165
		<u>8,671,679</u>	<u>10,371,165</u>
Current assets			
Trade and other receivables	5	47,158,140	22,620,042
Prepayments		2,592,743	2,436,242
Cash and cash equivalents	6	146,076,262	69,577,176
		<u>195,827,145</u>	<u>94,633,460</u>
Current liabilities			
Payables and accruals	7	65,625,339	9,757,910
Employee benefits	8	31,245,686	36,234,350
		<u>96,871,025</u>	<u>45,992,260</u>
Net current assets		<u>98,956,120</u>	<u>48,641,200</u>
Total assets		<u>107,627,799</u>	<u>59,012,365</u>
Non-current liabilities			
Employee benefits	8	-	1,595,312
Equity			
Capital (GOJ Investment)	9	1,855,200	1,855,200
General reserve		105,772,599	55,561,853
Total equity and reserve		<u>107,627,799</u>	<u>57,417,053</u>
Total equity and liabilities		<u>107,627,799</u>	<u>59,012,365</u>

Approved for issue on behalf of the Administrator General's Department on September 25, 2015 and signed on its behalf by:



 Mr. Patrick Wright
 Finance and Asset Management Executive



 Mrs. Lona Brown
 Chief Executive Officer/Administrator General

The accompanying notes form an integral part of the financial statements

ADMINISTRATOR GENERAL'S DEPARTMENT
Notes to the Financial Statements
Year ended March 31, 2015

	Not e	2015 (\$)	2014 (\$)
INCOME			
Investment fees		63,075,611	60,091,006
6% Commissions		34,540,463	25,780,836
Property management fees		644,295	636,026
Administration fees		1,723,500	1,836,929
Legal fees		59,702,638	51,781,010
Business asset management fees		-	278,268
Total income		159,686,507	140,404,075
EXPENDITURE			
Staff costs	10	194,512,363	187,741,992
Travel expense and subsistence		2,361,044	3,659,184
Goods and services		25,014,442	17,721,607
Premises related services		18,441,901	16,824,858
Public utilities		7,770,650	8,000,313
Depreciation charges		3,644,450	3,015,642
Other cost		8,095,793	23,950,318
Total operating expenses		259,840,643	260,913,914
Operating deficit		(100,154,136)	(120,509,839)
Loss on disposal of fixed assets		-	(38,643)
Funding from Revolving Fund and Transport Account		4,373,189	5,201,646
Management fees		(783,131)	(520,856)
Interest income		6,037,265	3,796,277
Net deficit before GOJ Financing		(90,526,813)	(112,071,415)

ADMINISTRATOR GENERAL'S DEPARTMENT
Notes to the Financial Statements
Year ended March 31, 2015

GOJ financing from Consolidated Fund		190,948,305	113,761,000
Net surplus after GOJ financing		100,421,492	1,689,585
50% Net surplus to Consolidated Fund	11	(50,210,746)	(844,792)
Net (deficit)/surplus		50,210,746	844,793

ADMINISTRATOR GENERAL'S DEPARTMENT
Statement of Changes in Equity
Year ended March 31, 2015

	Capital (GOJ Investment)	General Reserve	Total
	\$	\$	\$
Balance as at March 31, 2013	1,855,200	54,717,060	56,572,260
			-
Net Surplus for the year	-	844,793	844,793
			-
Balance as at March 31, 2014	1,855,200	55,561,853	57,417,053
Net Surplus for the year	-	50,210,746	50,210,746
Balance as at March 31, 2015	<u>1,855,200</u>	<u>105,772,599</u>	<u>107,627,799</u>

ADMINISTRATOR GENERAL'S DEPARTMENT
Statement of Cash Flows
Year ended March 31, 2015

Statement of Cash Flows
Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash flows from operating activities:		
Deficit for the year before GOJ financing	(90,526,813)	(112,071,415)
Recurrent financing from Consolidated Fund	<u>190,948,305</u>	<u>113,761,000</u>
(Deficit)/Surplus for the year after GOJ financing	100,421,492	1,689,585
50% net surplus to Consolidated Fund	<u>(50,210,746)</u>	<u>(844,792)</u>
Net (deficit)/surplus	50,210,746	844,793
Adjustments:		
Depreciation	3,644,450	3,015,642
(Profit)/ Loss on sale of fixed assets	-	38,643
(Increase)/decrease in receivables	(24,694,599)	(303,185)
Increase/(decrease) in current liabilities	50,878,765	2,046,513
Increase/(decrease) in non-current liabilities	(1,595,312)	(2,200,853)
Transfer from Donated Assets Reserve	<u>-</u>	<u>-</u>
Net cash used in operating activities	<u>78,444,051</u>	<u>3,441,553</u>
Cash flows from investing activities:		
Capital expenditure	(1,944,965)	(3,077,057)
Proceeds from sale of fixed assets	<u>-</u>	<u>1,000</u>
Net cash used in investing activities	<u>(1,944,965)</u>	<u>(3,076,057)</u>
Cash flows from financing activities		
	<u>-</u>	<u>-</u>

ADMINISTRATOR GENERAL'S DEPARTMENT
Statement of Cash Flows
Year ended March 31, 2015

	-	
Net cash flows from financing activities	-	-
Decrease in cash and cash equivalents	76,499,086	365,496
Cash and cash equivalents at beginning of year	69,577,176	69,211,680
Cash and cash equivalents at end of year	<u>146,076,262</u>	<u>69,577,176</u>

1. Identification

The main activities of the Administrator General's Department are to advise and assist the relatives, beneficiaries or representatives of deceased persons, principally in the case of intestacy, and to administer those estates for which there are beneficiaries who are still considered to be minors under the law.

2. Statement of compliance, basis of preparation and significant accounting policies

a) Statement of compliance

i. These financial statements have been prepared in accordance with the requirements of the Financial Instructions to Executive Agencies. These instructions require the application of Generally Accepted Accounting Principles which is based on International Public Sector Accounting Standards (IPSAS). IPSAS's are developed by the International Public Sector Accounting Standards Board. The IPSAS Board is an independent board of the International Federation of the Accountants. IPSAS's are based on International Financial Reporting Standards (IFRSs).

ii. IPSAS deals with public sector reporting issues that are not addressed by IFRSs. The preparation of the financial statements to conform to IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and the revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

b) Basis of preparation

The financial statements have been prepared under the historical cost convention and are presented in Jamaica dollars (\$), which is the reporting currency of the Agency.

c) Significant accounting policies

i. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand, and investment in Executive Agencies Investment Fund.

Statement of compliance, basis of preparation and significant accounting policies (Cont'd)

c) Significant accounting policies (Cont'd)

ii. Receivables

Trade receivables are carried at original invoice amounts less provision made for impairment losses. A provision for impairment is established when there is evidence that the entity will not be able to collect all amounts due according to the original terms of the contract.

iii. Accounts payable and accrued charges

Accounts payables are carried at cost for the supply of goods and services and accruals is based on a fair estimate of liability at the end of the financial year. The amounts are payable within one year.

iv. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment reviews.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Depreciation on assets is calculated on the straight-line basis at annual rates that will write off the carrying amount of each asset over the period of its expected useful life. Annual depreciation rates or period over which depreciation is charged are as follows:

Office equipment	20 %
Furniture and fixtures	10%
Motor vehicles	20%
Computers	33 1/3%

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than

its estimated recoverable amount, it is written down immediately to its recoverable amount.

iv. Amortisation of Donated Assets Reserve

The reserve is written off on a straight line basis over the life of the assets.

2. Statement of compliance, basis of preparation and significant accounting policies (Cont'd)

c) Significant accounting policies (Cont'd)

v. Employee benefits

A provision is made for the estimated liability for annual leave earned, for employees, that is not taken and gratuity not paid as at the date of the statement of financial position. The expected cost of vacation leave that accumulates is calculated based on the accrued entitlement of leave for each member of staff.

The Agency participates in a Defined Contribution Pension Scheme for its employees which is administered by the National Commercial Bank Insurance Company Limited. The fund was established in the financial year ended 2003 and is funded by contributions from employees and employer. The employees contribute at a mandatory rate of 5%; while the entity makes a matching contribution. The Agency contributes 7.5% for employees who have attained five (5) years but less than ten (10) years enrolment in the scheme and 10% for employees who are enrolled for ten (10) years and over. The Agency's net liability in respect of the defined contribution plan is recognized only if the contribution paid during the year is less than the contribution required.

vi. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

vii. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity

instrument of another entity. The Agency's financial instruments at March 31, 2015 were receivables and payables.

viii. Income

Income is fees derived from a 6% Commission charged on Estate transactions and fees for the management services provided to Estates under the Administrator-General's Act (amended July 1999) and the Administrator-General's (Fees) (Amendment) Regulations, 2001 as approved by Parliament (May 16, 2001). All revenue is received gross and is recognised in the financial statement on an accruals basis.

Subvention is recognised when it is received.

Interest earned on investment is recognised on an accrual basis.

2. Financial risk management

The Agency's activities expose it to a variety of financial risks: market risks (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The Agency's overall risk management policies are established to identify and analyse risk exposure and to set appropriate risk limits and controls and to monitor risk. The risk management framework is based on guidelines set by management and seeks to minimise potential adverse effects on the Agency's financial performance.

a. Market risk

The Agency takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

i. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

ii. Interest rate risk

Interest rate risk is the risk that the interest earned on interest bearing bank account balances will fluctuate due to changes in market interest rate. The Agency's interest rate risk arises from deposits as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
	<u>110,998,329</u>	
Financial asset – investment in EAIF	<u>9</u>	<u>55,746,118</u>

b.Liquidity risk

Liquidity risk is the risk that the agency will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The risk is managed by maintaining sufficient cash and cash equivalents balances.

3. Financial Risk Management (Cont'd)

b. Liquidity risk

<u>Financial liabilities</u>	Carrying amount	Contractual amount	Due within 3 months	Due within 1 year
	\$	\$	\$	\$
Payables and accruals	65,625,339	65,625,339	61,212,361	4,412,978
Employee benefits	31,245,686	31,245,686	-	31,245,686
At March 31, 2015	96,871,025	96,871,025	61,212,361	35,658,664

<u>Financial liabilities</u>	Carrying amount	Contractual amount	Due within 3 months	Due within 1 year
	\$	\$	\$	\$
<u>Payables and accruals</u>	9,757,910	9,757,910	6,128,064	3,629,846

Employee benefits	37,829,662	37,829,662	12,564,351	23,669,999
As At March 31, 2014	47,587,572	47,587,572	18,692,415	27,299,845

c. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The agency has the following cash resources:

	2015	2014
	\$	\$
Cash and cash equivalents	<u>146,076,262</u>	<u>69,577,176</u>
Accounts receivable	<u>47,158,140</u>	<u>22,620,042</u>

Financial Risk Management (Cont'd)

d. Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the agency's processes, personnel, technology and other external factors, other than financial risks. Operational risk is managed through clear lines of accountability, separation of duties, appropriate training, adherence to implemented policies, effective internal audits and prompt corrective action to weaknesses identified and a continuing review and update of policies. Close management oversight underpins these activities.

4. Property, plant and equipment

Property, plant and equipment are broken down as follows:

	Computer s	Furniture and fittings	Motor vehicles	Office equipment	Total
	\$	\$	\$	\$	\$
Cost/valuation:					
At April 1, 2014	21,253,534	14,414,410	9,392,385	4,166,348	49,226,677

Additions	1,390,427	364,740	-	189,798	1,944,965
Disposals	-	(32,188)	-	-	(32,188)
	22,643,96				51,139,45
At March 31, 2015	2	14,746,962	9,392,384	4,356,146	4
Depreciation:					
At April 1, 2014	18,248,893	11,976,273	5,131,286	3,499,060	38,855,512
Charge for the year	1,704,243	371,076	1,312,804	256,328	3,644,451
Disposals	-	(32,188)	-	-	(32,188)
	19,953,13				42,467,77
At March 31, 2015	6	12,315,161	6,444,090	3,755,388	5
Net book value:					
March 31, 2015	2,690,826	2,431,801	2,948,294	600,758	8,671,679
March 31, 2014	3,004,642	2,438,137	4,261,099	667,288	10,371,165

5. Trade and other receivables

	<u>2015</u>	<u>2014</u>
	\$	\$
Interest receivable	1,007,487	268,684
Estate-related fees	107,419,798	77,534,704
Staff loans	6,884,134	4,111,028
Other receivables	645,425	1,408,537
Provision for doubtful debts	(68,798,704)	(60,702,911)
	<u>47,158,140</u>	<u>22,620,042</u>

6. Cash and cash equivalents

The cash and cash equivalents balance is comprised as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash at bank and in hand	35,077,933	13,831,058
Investment in Executive Agencies	110,998,32	
Investment Fund (EAIF)	9	55,746,118
	<u>146,076,2</u>	
	<u>62</u>	<u>69,577,176</u>

The investments in EAIF are short-term deposits (from 90 days to 180 days) at interest rates ranging from 6.25% to 9.00%.

7. Payables and accruals

<u>2015</u>	<u>2014</u>
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	\$	\$
50% Net surplus owed to Accountant General	51,130,580	2,156,379
Statutory deductions	1,759,879	2,281,736
Management fees	4,412,978	3,629,846
Accrued expenses	1,117,506	1,689,949
General Consumption Tax	4,498,815	-
Estate Payable	2,705,581	-
	<u>65,625,339</u>	<u>9,757,910</u>

8. Employee benefits

	<u>2015</u>	<u>2014</u>
	\$	\$
Provision for vacation leave	11,082,530	10,626,332
Provision for incentive	12,800,000	12,000,000
Salary arrears	404,932	3,533,332
Gratuity	6,958,224	10,074,686
Current liabilities (a)	<u>31,245,686</u>	<u>36,234,350</u>
Non-current liabilities:		
Provision for gratuity (b)	-	1,595,312
	<u>31,245,686</u>	<u>37,829,662</u>

9. Capital - GOJ investment

The initial capital investment from Government of Jamaica is represented by the value of the fixed assets transferred and are deemed to be the capital assets retained by the agency at April 1, 2001.

10. Staff costs

	<u>2015</u>	<u>2014</u>
	\$	\$
Salaries and wages	180,950,221	172,706,575
Statutory and other contributions (i)	13,562,142	15,035,417
	<u>194,512,363</u>	<u>187,741,992</u>

(i) The amount include the Agency contribution to the Executive Agency Pension Scheme totalling \$5,645,204; (2014, \$7,284,061).

b. Staff details:

These details include relevant information relating to employees receiving gross emoluments of over Two Million Dollars per annum. These fall within the following ranges:

<u>Salary Range (\$)</u>	<u>Number of employees</u>
2,000,000.00 - 2,250,000.00	1
2,250,000.00 - 2,500,000.00	3
2,500,000.00 - 2,750,000.00	0
2,750,000.00 - 3,000,000.00	3
3,000,000.00 - 3,250,000.00	0
3,250,000.00 - 3,500,000.00	3
3,500,000.00 - 3,750,000.00	4
4,500,000.00 - 4,750,000.00	1
4,750,000.00 - 5,000,000.00	2
5,000,000.00 - 5,250,000.00	1
5,250,000.00 - 5,500,000.00	1
5,500,000.00 - 5,750,000.00	1
6,500,000.00 - 6,750,000.00	0
6,750,000.00- 7,000,000.00	1
Total	21

10. Staff costs (cont'd)

Position	Salary \$	Gratuity and performance incentive \$	Travelling allowance \$	Allowances \$	Total 2015 \$
C.E.O/Administrator General	6,176,097	4,207,455	487,860	349,601	11,221,013
Deputy Administrator	4,269,826	3,702,583	975,720	328,601	9,276,730

General Senior Legal Executive	3,347,917	340,897	975,720	328,601	4,993,135
Human Resource and Administration	3,506,000	2,784,185	975,720		7,265,905
Finance and Asset Management	3,994,353	1,372,694	975,720		6,342,767
Total	21,546,276	12,407,814	4,390,740	1,006,803	39,351,633

Key Performance Indicators

At the date of the statement of financial position the Agency has not prepared the key performance indicators report to be included in the financial statements.

11. 50% Net surplus to Consolidated Fund

This represents fifty percent (50%) of the surplus for the audited period which should be made payable to the Consolidated Fund at the end of the financial year. This is in accordance with the instructions to executive agencies issued by the Ministry of Finance. The following amount is payable to the consolidated fund:

	<u>2015</u>	<u>2014</u>
	\$	\$
Surplus payable for the year	50,210,746	844,792
	<u>50,210,746</u>	<u>844,792</u>

12. Procurement Information

<u>Expenditure Range (\$)</u>	<u>Number of suppliers</u>	<u>Total Value (\$)</u>
500,000.00 - 1,000,000.00	2	1,336,439. <u>45</u>

The Executive and Senior Management team all realise the responsibility they hold to ensure that all systems within the Department are periodically evaluated and tested so that major risks are either eliminated or mitigated.

Internal controls are designed to ensure that all the agency's operations are in keeping with stated laws, rules and regulations promulgated by various pieces of legislation and professional bodies.

Throughout the financial year, internal audit conducted several investigations geared towards ascertaining whether there were any breaches of policies or procedures in especially the operating and financial functions of the Department. Where any breach was identified, immediate steps were taken to have them rectified and resolved. In fact, anticipatory steps were taken to avoid any prospect of a breach occurring in some very sensitive areas of operation.

The Chief Executive Officer and her team remain committed to upholding the various laws governing the Agency's operations and will continue to include aspects of risk mitigation in its strategic management plans to guarantee the sustainability of existing systems of internal control and the implementation of improved methods of safeguarding the integrity and transparency of its operations.

COMPENSATION PAID TO MEMBERS OF THE ADVISORY BOARD

For the year ended 31/03/2015

Name of Member of Advisory Board	Year	Total Allowance (\$)
WHITE, Rennard (Chairman)	2014/2015	62,500.00
ALDRED, Marlene	2014/2015	22,500.00
LONG, Tracey Ann	2014/2015	15,000.00
PHILLIP, Rose	2014/2015	26,000.00
PRATT, Henry	2014/2015	29,500.00
WILKINS, Nadine	2014/2015	15,0000.00
WINT MCKENZIE, Marie	2014/2015	41,000.00

CORPORATE INFORMATION

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