

**ADMINISTRATOR-GENERAL'S
DEPARTMENT**

An Executive Agency

**ANNUAL REPORT
2016 - 2017**



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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TABLE OF CONTENTS

Letter to the Minister of Justice	3
Overview of Chief Executive Officer	4
Linday's Legacy	6
The Department – Function	8
The Estate Administration Process	9
Key Terms and Activities	10
The Agency's Human Capital	12
Employee of the Year	13
Legacy of Andrew Robin Gyles	14
Main Achievements for the Year	16
<ul style="list-style-type: none">• Development of the Trust & Estate Administration System• Enhancement of Service Delivery through Public Education• Provision of Social Service	
Highlights of Performance	21
Appendices:	
I. Result of Key Performance Indicators	
II. Organisational Structure	
III. Audited Financial Statements	
IV. Compensation for Advisory Board Members	

LETTER TO THE MINISTER

March 8, 2018

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

Dear 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 2016/2017.

The Report contains a copy of the Agency's audited Financial Statements for the period.

Yours sincerely,



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

OVERVIEW OF THE CHIEF EXECUTIVE OFFICER



The Agency approached the 2016/2017 financial year with great enthusiasm with the aim of achieving its stated objectives while satisfying the needs of the people it is mandated to serve. The Department is required to “protect the interests of beneficiaries and creditors”, and so it was necessary to utilise various strategies to ensure the objectives.

Over the past few years, the Agency has been seeking to procure the services of a software provider to develop and implement a Trust and Estate Management System (TEMS) that will integrate all areas of estate management and will automate the manual processes currently being utilized. This system will improve the overall efficiency of the estate administration process.

The Department executed contract with software developer, Argusoft, on August 11, 2016. The Honourable Minister Delroy Chuck and Permanent Secretary Mrs. Carol Palmer were in attendance to witness this memorable occasion for the Department. The system will be developed over a fifteen (15) months period.

There were 18 key performance indicators (KPIs) that supported the 5 strategic objectives for the year and the Agency worked diligently in ensuring that the goals and objectives were met.

Of the 18 KPIs, approval was received from the Ministry of Justice to defer the measurement of one while the others were achieved. The investigation process for matters reported to the Department and closure of estates are crucial areas of the estate administration process. Consequently, resources were reorganized to enhance the performance of these areas. The Agency’s public education efforts also played a major role in the overall estate administration process.

It was necessary to ensure that the social welfare of beneficiaries was taken care of, in keeping with the mandate of the Agency to protect especially minor beneficiaries. In responding to this need and as part of its customer care programme, the Agency employed a Social Worker to provide social intervention and assist beneficiaries in accessing vital social support. Beneficiaries have lauded the initiative which has tremendously assisted a number of persons in dealing with their issues.

The year was also one filled with mixed feelings as it marked the end of the tenure of a stalwart of the Department, Andrew Robin Gyles, Deputy Administrator General. The AGD family was blessed to have such a knowledgeable individual who worked so diligently and provided expert legal advice for 25 years. He has left an indelible mark here at the AGD and we are eternally grateful to him for the selfless service he gave to the Department.

The Agency also suffered a loss of another kind as the oldest beneficiary, Linda Pilliner passed away during the year. The Department began to care for Mrs. Pilliner, the last beneficiary in the William Crosby estate in 1927. She was 101 at the time of her death.

It was indeed a successful year for the Department and this success was enhanced by the support of the hardworking staff members, the Ministry of Justice, the Ministry of Finance and the Public Service, the Advisory Board and all other stakeholders who supported the work of this Department as it honoured its commitment to the people it serves.



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

Linda's Legacy

Oldest beneficiary of AGD-administered estate dead at 101

From Panama to Jamaica to the United Kingdom, the fearless and inspiring journey of Linda Pilliner (nee Crosbie) ended in England last year and closed the chapter on the oldest beneficiary of an estate administered by the Administrator-General's Department (AGD).

Linda, who passed away in England last October at 101 years old, was the oldest living beneficiary and the last surviving child of the Crosbie estate, administered by the AGD since 1928.

Her relationship with the Department spanned several decades beginning with the death of her father, Surgeon Dentist, Dr. William Crosbie who named the Administrator-General for Jamaica as Executor and Trustee in his Will dated March 26, 1927. That decision is still having an impact on the Crosbie family.

Crosbie was born on Wildman Street in Kingston, Jamaica and later moved to Panama where he worked for the US Army during the construction of the Panama Canal. He was married to Linda's mother, Angelina Beverly Crosbie (nee Heantjens) and together they had six daughters and three sons.



Linda & her Social Worker in Somerset in the UK in 2005.

TRAGEDY STRUCK

After the Crosbie family relocated to Jamaica, tragedy struck in 1928 when Linda's father died. Her youngest sister, Blanche passed away six months later.

In his will, Crosbie established a Trust for his wife and six daughters: Blanche, Iris, Vera, Linda, Jessie and Leila.

A further bequest was that upon the death of any of the testator's children, their individual share would be held in Trust for their respective children.

Before the family could begin coping with the loss of their father, their mother died in



Linda at 28 years old, when she enrolled in the 1943 WAAF



Administrator - General Lona Brown (left) and Estate Administration Executive for the AGD, Ingrid Cole (right) with Linda Pilliner at West Abbey Care Home in 2015.

1929. And thus began the Department's journey with Linda and her sisters.

Crosbie stated in his will that upon the death of his widow, income should be paid to the benefit and advancement of his surviving daughters.

The Department has been carrying out his wishes for 88 years. Orphaned at 13 years old, Linda and her three youngest sisters were put in the care of the Sisters of Mercy Alpha. Linda excelled at playing the violin and painting. According to her daughter, Maureen "When

she left (Alpha), Mum wanted to go to the UK to study Art but there were not enough funds for such undertaking at that time. This is most unfortunate as Mum was a talented artist."

Years later, Linda would journey to the UK for a different reason. During World War II, she responded to a call for citizens of the Commonwealth to join the British Army and travelled to England by ship in a convoy.

Though the situation was serious, Linda recalled having an exciting and sociable journey. The ship docked at Inverness in Scotland but Linda was so cold she had to be transferred to Surrey where she was billeted with a family.

On October 11, 1943, she enrolled in the Women's Auxiliary Airforce in Maidstone, Kent. Despite the threat of falling bombs, she worked as a Tele-printer Operator between 1943 and 1945.

RETURN TO JAMAICA

After the war ended, Linda longed for sunshine and returned to Jamaica because she could not cope with the cold, rainy weather. In 1948, she married John Dalrymple Pilliner and the union later produced a daughter, Maureen.

The family lived in Trelawny and St. Andrew where Linda attended the Holy Cross Church. Linda's early artistic skills were shown when she painted professional banners for the church.

"These banners were enlarged from 2 by 4 inches to 32 by 44 inches, quite a skilful task for an untrained painter to undertake. I recall her painstakingly pouring over the tiniest detail to ensure it was perfect," said her daughter.

In 1968, Maureen left Jamaica for the UK to study nursing. Linda would visit her daughter and grandchildren in England from time to time. Throughout this time, the AGD continued to honour Crosbie's bequests.

The administration process involved remitting advances to Linda's late sister, Iris, for more than thirty (30) years while she was living in Canada. Iris died in 1991.

Money was also remitted to assist with Vera's monthly expenses during a long term illness, while she lived in the UK. Additionally, prior to Jessie's death, the Department employed a practical nurse to take care of her.

EXTENDED AGD FAMILY

Administrator-General, Mrs. Lona Brown, said "when I took office in 1996, I had the pleasure of meeting Jesse, Leila and Linda.

The sisters were like an extended AGD family. It was always entertaining to listen to members of staff, those retired and those present regale us with stories of their visits and time spent with the sisters."

At one point, three of the sisters lived at 9 Holborn

Road, Kingston 5. With Lelia's passing in 1996, the AGD sold the house and used the funds to purchase an Apartment at 2 Worthington Terrace, Kingston 5 to provide more secure and suitable housing for Jessie and Linda.

After Jessie's death in 2005, Linda migrated to the UK to live with Maureen in Somerset. She stayed there for several years until she required continuous nursing care and was removed to West Abbey Care Home in nearby Yeovil.

That was where the Administrator-General and Estate Administration Executive at the AGD, Ingrid Cole, visited with Linda in November 2015. They gave her a blanket in the Jamaican colours which her daughter promptly used to cover her.

The timing was perfect as Linda was still celebrating her one hundredth birthday. Like any other 'parent', the AGD was delighted and proud when she received her special birthday card from Queen Elizabeth II with a congratulatory message.

GREAT SADNESS

It was with great sadness that the Department received news of her passing in October 2016.

Recounting the journey with the Department, her daughter, Maureen said: "It has been my experience that the AGD has been steadfast and faithful to the execution of grandfather's estate. Over the many years in which they have done this, that is from 1928 to

the present date, they have adhered to the wishes of Dr. William Crosbie and ensured that 'his girls' have been looked after financially and environmentally.

I would have no hesitation in recommending the AGD to anyone seeking a safe and reliable Executor of Trustee."

THE DEPARTMENT

Functions

The Administrator-General's Act in 1873 established the office of the Administrator-General's Department and the functions of the AG 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."*

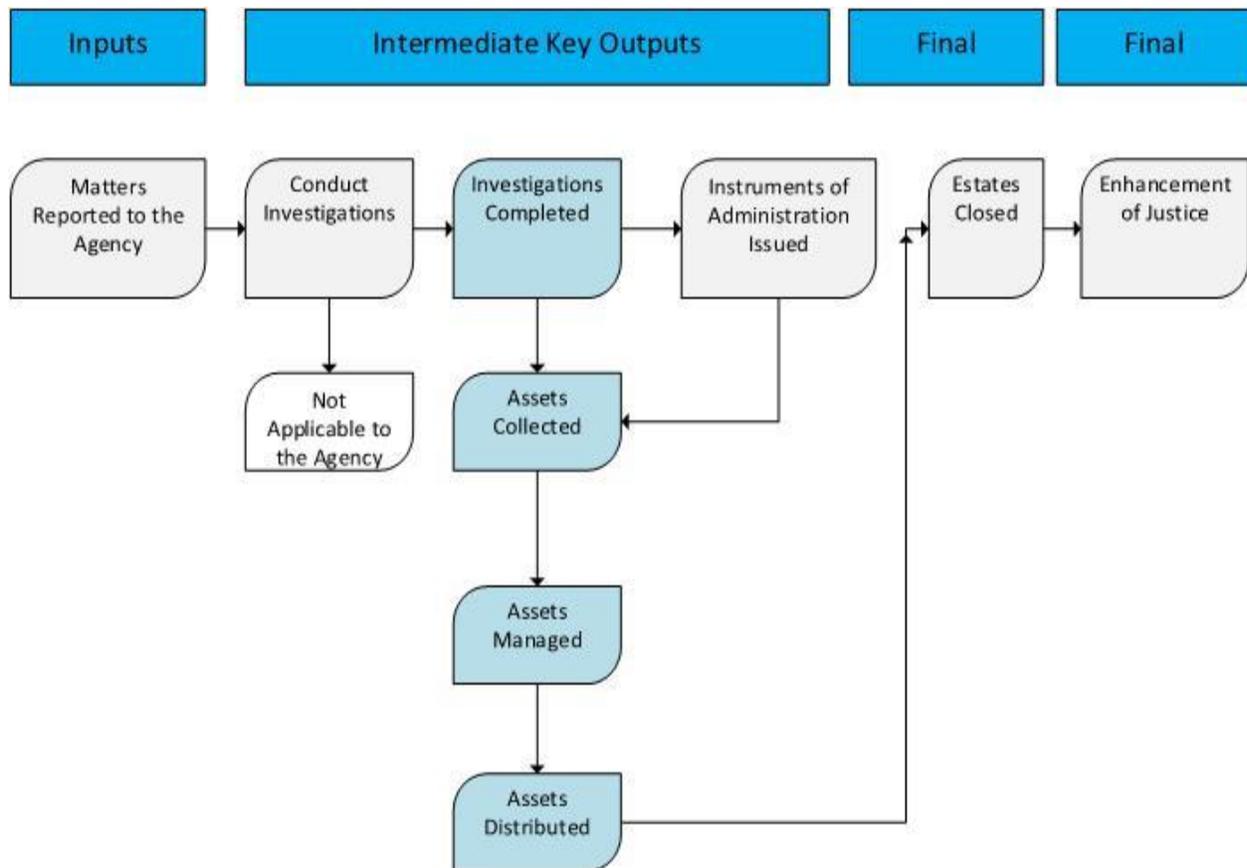
The laws that govern the operations of the Department require the Administrator-General to administer estates where:

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

ESTATE ADMINISTRATION PROCESS

Process Map

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



Key Terms and Activities in Administration

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 to identify any 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 of relationship to the deceased can be in the form of birth certificates, marriage certificates or a Court Order proving paternity or spouseship.

Small Estates

Section 53A of the Administrator-General's Act states that where an estate consists of personalty and does not exceed One Hundred Thousand Dollars (\$100,000.00), the Administrator-General may collect the assets belonging 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 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 (or personal estate): refers to all assets, other than land or building. Some of the assets falling into this category include cash, unpaid salary, NHT refund, furniture, cars, shares, copyright, patents, and insurance policies (where the deceased is the beneficiary). Upon receipt of Instruments of Administration or Letters of Administration, the Department moves to collect all Personalty.

Realty (or Real estate): refers to land and anything affixed or permanently attached to it such as buildings. Documentation showing ownership of land or an interest in land is required and the general form of documentation includes Duplicate Certificate of Title, Common Law Conveyance (Deed of Conveyance), signed Agreement for Sale of land or receipt showing purchase of land. Upon receipt of Instruments of Administration or Letters of Administration, the Department moves to collect all Realty.

Administrator *ad Litem*: is a person appointed by the court to act on behalf of a estate in court proceedings (pending or to be commenced), when the estate has no Personal Representative. Administrator *ad litem* appointment is limited to the purposes of litigation and is not responsible for the administration of the estate or distribution of estate assets.

Instrument of Administration and Letters of Administration

After investigation is completed, an application is made to the Administrator-General for an Instrument of Administration or to the Courts for a grant of Letters of Administration, which give the AG legal authority to administer an estate.

The Agency's Human Resources

The Department continued to prioritize the management of its human resources, with the aim of maintaining a cadre of competent, efficient and motivated employees. At the end of the year, the staff complement was 99 of 107 approved posts. During the year, 24 new employees joined the Agency and six employees were promoted. The Deputy Administrator-General, Mr. Andrew Gyles, who served the Department for 25 years, was among four persons who retired. The year also saw 13 team members resigning for various reasons, including migration and to capitalize on opportunities in other Government Agencies. The Department however, moved swiftly to fill the vacant posts during the period.

The staff complement is predominantly comprised of technically skilled personnel in the areas of law, accounts and property management. The tasks conducted are specialized and in many cases unique to the Agency. As a result, training featured prominently on the Agency's agenda in an effort to develop staff, ensure that they possess the necessary skill-sets to effectively execute their responsibilities and increase efficiency. Employees benefitted from a wide range of programmes which were organised internally or through participation in external programmes. Specialized training was conducted in law, accounts, leadership development and information systems.

With the imminent implementation of TEMS, the Agency has designed training programmes that will ensure that the employees are adequately prepared to utilise the system.

The Agency also offers an internal Staff Revolving Loan Scheme to provide small loans for educational or medical expenses. Travelling officers can also access this loan to purchase new or used motor vehicles. This loan facility has been very well received by staff members.

In a bid to recognize and reward excellence as one way of motivating employees, on a quarterly basis, the Department selects an Employee of the Quarter. These persons have excelled and contributed significantly to the organization through the execution of their tasks while playing a major role in ensuring that the Department meets its corporate obligations. Each year, the Agency acknowledges an Employee of the Year from the four persons selected as Employees of the Quarters.

Employee of the Year

Rohan Nicholls



“Choose a job you love and you will never work a day in your life” –Confucius

This has been the mantra that drove Rohan Nicholls to enter the accounting profession, as it allowed his passion for numbers, order and structure to shine. Rohan joined the Administrator-General’s Department on June 13, 2011, where he quickly demonstrated his competence in Trust Accounting.

Rohan’s high quality work, desire to see those around him succeed and ability to convey complex trust accounting information in an easy to understand manner, were not lost on the Department. This resulted in his promotion to the post of Senior Trust Accountant on February 1, 2016. This allowed him to play an even larger role in shaping the Trust Accounting Unit as the supervisor in charge of all Ledger Room activities.

Rohan has been very supportive of the Agency’s goals and quickly realized the importance of his function in the estate administration process. His efficiency endeared him to members of the Operations Unit, as they would frequently call upon him when an urgent account was required. He always rose to the challenge. Based on his work, Mr. Nicholls was nominated as Employee of the Quarter for the 2nd quarter and emerged Employee of the Year for the period April 1, 2016 to March 31, 2017.

Rohan is frequently referred to as a quiet, competent and exceedingly efficient Trust Accountant. During the financial year 2016/2017, he was one of the key persons that assisted the Agency in exceeding its target for preparation of accounts. During the 4th quarter he shattered his individual targets, exceeding his required production level by 59%.

The Agency applauds Rohan Nicholls for his sterling performance during 2016/17. We recognise him as an exemplary employee during the period and commend him for his diligence and commitment to high levels of performance.

THE LEGACY OF ANDREW ROBIN GYLES



On March 31, 2017, Mr. Andrew Robin Gyles, Deputy Administrator-General retired from the Department after serving for twenty-six years.

After working together for so many years one is considered family and all members of staff were indeed saddened that Mr. Gyles had decided to end his full time working career.

We all say in unison that his career as a public servant is a wonderful celebration of achievement and a life of contribution.

During his lifetime of service to the government he exhibited all the qualities of a consummate public officer. He was a scholar and a gentlemen and never failed to put the work of the Department above all else.

He captured the respect and hearts of all staff members who worked with him, both past and present as well as clients and colleagues at the public and private bar.

Mr. Gyles, with 40 years' experience as an Attorney-at-Law, first practised at the private bar with an office in Linstead. He later joined the Civil Service in 1979 working first with the then Ministry of Housing.

In 1980 he served as Senior Legal Officer (SLO) at the Agricultural Credit Board and in 1986 was transferred to the Office of the Trustee in Bankruptcy as SLO. He was promoted to the position of Trustee in Bankruptcy after only one year.

In 1991 Mr. Gyles was appointed Administrator-General and remained with the Department until his retirement in March 2017.

At the Administrator-General's Department he served in various capacities, with the last being Deputy Administrator-General.

There are not many Attorneys-at-Law in Jamaica who possess the wealth of knowledge in the Law of Succession and other related areas as Mr. Gyles. While at the AGD, lawyers at the private bar would often seek his direction in matters pertaining to this area of law.

He was always the Department's lead on its Law Reform Committee and worked on amending the Administrator-General's Act with several Ministers of Justice. His competence and expertise were often acknowledged as the deliberations were held during the reform process.

Appearing in Court was secondary to his passion for dealing with the surfeit of estate cases he advised on at the Department from day to day. In addition to this he also provided advice in many areas of the Department's operations, vetting agreements with external bodies and contracts of employment to name a few.

Robin's commitment was boundless and unparalleled and he could be seen working late nights and on weekends.

There are so many attributes that characterise this genteel officer. He is and always has been - A noble man, an upright human being. He brought to bear all these perfect qualities in his professional and personal life. He lived and breathed the Canons of Professional Ethics and is an example to all in his profession.

There is a precious quality that one must also speak of and that is Robin's utmost sincerity. This has made his friendship with all members of staff so very valuable. He does not bear grudges, he is true to his word and does not engage in idle chatter.

It is interesting to note that although he was a workaholic, he is an avid sports lover. In his early days as an athlete he swam professionally and is also an accomplished tennis player.

After 26 years of unbroken service with the Department Andrew Robin Gyles has left a legacy from which the Department will continue to benefit.

He has taken leave to begin a satisfying and well-deserved retirement.

The Department will give him warning however, that staff members will seek him out from time to time to seek guidance on some of those complicated legal issues.

Walk good Sir Robin, the Department will certainly miss you.



MAJOR ACHIEVEMENTS FOR THE YEAR

During the financial year, the Department's main achievements were: Development of the Trust & Estate Management System (TEMS), Enhancement of Service Delivery through Public Education and the Provision of Social Services with the employment of a Social Worker.

Development of the Trust & Estate Management System (TEMS)

The Department executed the TEMS contract with software developer Argusoft America Inc. on August 11, 2016. The software will be designed to automate the Registry and Records Management, Estate Administration, Property Management, Trust Accounting and



Administrator-General & CEO, Mrs. Lona Brown signs contract for the Trust and Estate Management System. To Mrs. Brown's right is the Minister of Justice, Hon. Delroy Chuck and to her left is the Managing Director for Argusoft America Inc. – Mr. Ramachandran Gopalan. Standing (L-R), Senior Legal Executive – Miss Kedia Delahaye, Permanent Secretary in the Ministry of Justice – Mrs. Carol Palmer, Deputy Administrator-General – Mr. Andrew Gyles, Estate Administration Executive – Miss Ingrid Cole, Finance & Planning Executive – Mr. Patrick Wright and Human Resource and Administration Executive – Mr. Colin Ebanks (in background)

Investment processes of the Department, while improving the overall efficiency of the organisation. It is expected to be developed over a fifteen (15) months period.

Pursuant to the contract, four deliverables modules are to be developed by Argusoft. The first deliverable module which involved the finalisation of the requirements, system design and environment setup was received in January

2017. User Acceptance Testing (UAT) is required after each module is received. The UAT for the first module was conducted to ensure that the deliverable corresponds to the Department's requirements and that it was functioning effectively. The module was subsequently accepted.

The second deliverable module consisting of the Customer Portal, Registry and Document Management modules is to be delivered in the first quarter of 2017/2018. Release of the Case Management, Property Management, Legal Services, Estate Accounting and Investment modules and Data Migration is scheduled for the 3rd quarter of the 2017/2018 financial year. The system is also expected to be launched during the third quarter. During

the period the Department continued with the data cleansing process to prepare the data for migration.

In preparation for the implementation of TEMS, the necessary improvement to the network infrastructure was completed. This also included the procurement of hardware items to facilitate scanning of records for uploading to the TEMS data repository base.

TEMS will improve the effectiveness of the Department, as it will eliminate the manual access of client data, which is time-consuming. It will also amalgamate information from a portfolio of some 6,000 case files to a database, which can be easily accessed from any location.

This benefit will redound to staff, beneficiaries and clients. TEMS will grant staff members easier and quicker access to files, while streamlining the workflow and thus significantly reducing the time spent in the estate administration process. It will also allow staff members to respond faster to customers with real time information. For customers, TEMS will, among other things, allow them to report a death online by completing and submitting the FP online. Beneficiaries will also be able to check their balances online. These functions will eliminate the traffic flow in the office.

For the 2017/2018 financial year, the developer will deliver Milestone 2 which consists of Registry and Document Management and Milestones 3 and 4 which involve Case Management, Legal Management, Property Management, Trust Accounting and Investment Modules. A new web portal with new features will also be launched.

ENHANCEMENT OF SERVICE DELIVERY THROUGH PUBLIC EDUCATION

The Agency's public education campaign for 2016/2017 was geared towards educating the public about the role and services of the AGD as well as advising them of their role in the estate administration process.



(L-R) A patron listens to Case Officer, Shaneice Lindsay and Legal Officer Allan Hunter speaks to patrons at a public education session in Portland.

This public education programme was designed to support the estate administration process and overall service delivery of the Department.

During the year, the Department participated in 47 public awareness sessions in both public and private organisations in Kingston, St. Andrew, St. Catherine, St. James, St. Ann, Portland, St. Mary, St. Thomas and Manchester. There were over 3,800 persons in attendance at these sessions.

The print and electronic media platforms were used to reach beneficiaries and clients and to inform them of the importance of providing the relevant documents required for processing estate cases in a timely manner.



Nadine Mcleod - Public Education Manager, Andrew Gyles - Deputy Administrator-General, Kedia Delahaye - Senior Legal Executive and Patrick Wright - Finance & Planning Executive at the Gleaner Forum in 2016

Advertisements were placed on radio stations to inform persons about ***“how to process a death”*** while print advertisements were placed in the Gleaner, Star, Jamaica Observer and Western Mirror newspapers. Representatives from the Agency also appeared on the Gleaner Forum which resulted in the publishing of a number of stories about the Department.

The impact of these public relations activities was evident as the Department witnessed an improvement in the completeness and inflow of documents being submitted to the Department. The awareness of the role of the Department was also heightened as persons visited or called for more information. During these contacts, persons would refer to these advertisements and/or articles.

The Agency's website and social media page on Facebook were also used as tools to disseminate crucial messages. These media were used for advertisements and to communicate with beneficiaries around the world.



Beneficiaries, parents, guardians and staff members at the 2016 Educational Awards

During the period under review, a public education programme, *Partnership for Improved Estate Administration* was designed to strengthen relationship with Ministries, Departments and Agencies (MDAs) of Government and other key institutions which the Agency relies on to execute its functions. The aim of this effort was to help the MDAs and other organizations to understand the

crucial role they play in the estate administration process and the need to process requests made by the Department in a timely manner.

Under this programme, the Department met with representatives from the Registrar General's Department, Child Development Agency, National Housing Trust, National Land Agency and Ministries of Finance & Planning and Education and Youth. The Jamaica Intellectual Property Office also conducted a sensitisation session to guide staff members on the management of intellectual properties which are assets of estates administered by the Department. The Department was successful in establishing links with key persons in some of these Agencies and Ministries.



Telephone Operator - Natalie Gordon and her daughter Apryl Dunbar accept certificate from Human Resource & Administration Executive, Colin Ebanks

The public education drive for the period also included the distributing of posters and flyers in schools, churches, funeral homes and other organizations across the country.

The Public Education Unit also organized the Department's annual *Educational Awards Ceremony*. A total of 52 beneficiaries and children of employees were awarded for their performance in the Grade Six Achievement Test (GSAT), Caribbean Secondary Education Certificate (CSEC) and Caribbean Advanced Proficiency Exam (CAPE). The event was publicized through the Jamaica Information Service (JIS) as well as the Gleaner and Observer newspapers.

In the upcoming year, the public education drive will involve the introduction of other communication tools to convey the message of the Department to its beneficiaries and clients as the Department attempts to reduce the time taken in the estate administration process.

Provision of Social Services

The Agency recognized that there was a need for monitoring and social intervention in some of the cases under administration, especially those with minor beneficiaries. Consequently, a request was made to the Corporate Management Division of the Ministry of Finance & the Public Service, to have a post established for a trained Social Worker. Approval was subsequently received from the Ministry, under the organizational restructuring exercise in 2015/2016. The post of Social Worker was filled in the first quarter of the year.

The main objectives of the unit are to provide social services support to vulnerable beneficiaries in estates. Through this intervention, the Agency provides counselling and appropriate case management, offers mediation, facilitates access to educational opportunities, improves access to medical supplies and in some instances allows beneficiaries to receive materials for housing.

Since the establishment of the Social Work Unit, several beneficiaries have gained access to the National Insurance Scheme (NIS) Survivor's Benefit for widows, widowers, orphans and special children. The Unit has also managed to help locate beneficiaries whom the Agency sought for years. These beneficiaries were able to access funds from their entitlements.

The Social Work Unit has positively impacted the psychosocial wellbeing of beneficiaries thus promoting effective estate administration. During the year, a total of 85 minor beneficiaries, 42 males and 43 females, benefited from this initiative.

The Agency continued to work closely with key organizations in the public and private sectors with which the Department has forged crucial partnerships which enhanced the social support process. This partnership has led to a much stronger bond with the Child Development Agency (now Child Protection and Family Services), Child Guidance Clinic, Food for the Poor, Women's Centre Foundation of Jamaica, Poor Relief Department, Ministry of Labour & Social Security (Programme for Advancement Through Health and Education Programme), Kingston Public and Victoria Jubilee Hospitals.



Rosalee Gage-Grey, CEO- CPFSA speaks to Estate Administration Executive, Ingrid Cole and Social Worker, Don-Marie Williams at a visit

HIGHLIGHTS OF PERFORMANCE

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

The Agency applied weights to its targets based on the significance of each KPI to the overall performance of the organisation and also based on the level of activity that goes into the final output.

Strategic Objectives

The following were the Agency's strategic objectives for 2016/2017 financial year.

1. Assess the entitlement and provide timely distribution of assets to beneficiaries and creditors to expedite closure of estates and improve customer satisfaction.
2. Optimize the net worth of each estate within the law to maximize the value that will accrue to beneficiaries.
3. Provide strategic planning and direction and ensure the cost-effectiveness of the Agency's operations through prudent financial management.
4. Develop the electronic environment and integrate critical business processes to ensure improved efficiency, productivity and security of information.
5. Provide a highly functional work environment where staff members are competent, properly equipped and motivated to perform at the highest level.

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: Complete investigation for cases from date of receipt of Form of Particulars reporting death (300)

Investigations were completed in a total of 330 cases in 2016/2017 and the matters referred with the relevant documents for an application to be made for Instruments of Administration or Letters of Administration. This was 10% above the target of 300.

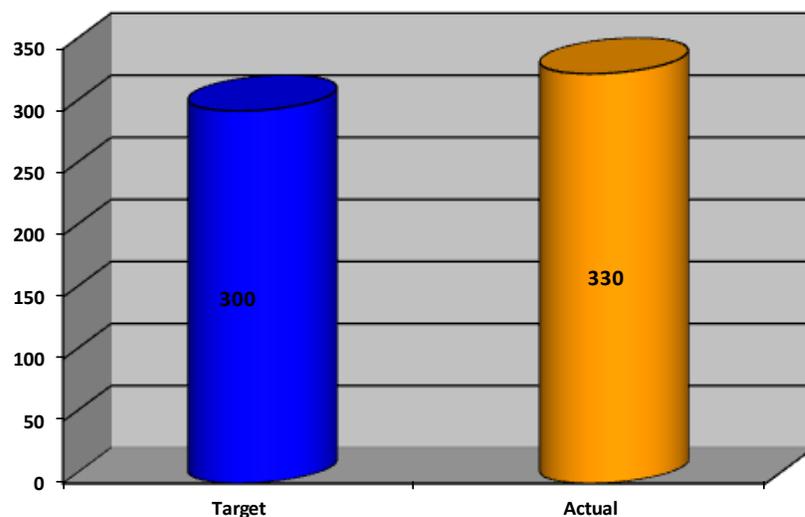
In its preparation to administer estates, the Department investigates all matters that are reported to establish proof of death, the existence of asset(s) and at least one minor beneficiary.

A total of 299 new cases were reported to the Agency during the year. In addition,

there were approximately 500 cases that were brought forward from prior years due to the difficulty encountered in obtaining the necessary proof.

The Department is utilising various strategies including partnerships with key government and other institutions as well as mass media advertising to communicate the importance of providing relevant information in a more timely manner to facilitate a reduction in the timeframe to commence administration.

Investigation Completed



KPI 2: Issue 90% of Instruments of Administration within 3 months from date of referral (90% within 3 months)

Pursuant to the amendments to the AG's Act in June 2015 the Administrator-General is empowered to issue Instruments of Administration (IA) internally in intestate estates with minor beneficiaries.

Having completed investigations in an estate, the case is referred for an application for IA.

The issuing of the Instruments internally has significantly reduced the time taken to obtain the authority to administer estates. Formerly, all applications had to be made to the Courts.

For this period, the Department was required to issue Instruments of Administration in at least 90% of the applications within 3 months of investigations being completed.

Instruments of Administration were issued within 3 months for 100% of the 252 applications made.

The Department also applied to the Courts for Grants of Letters of Administration in 85 estates where there were no minor beneficiaries while a total of 119 LAs were received from the courts.

KPI 3: Issue 90% of Instruments of Distribution within 3 months from date of referral (90% within 3 months)

An Instrument of Distribution is the legal authority given to the AG to distribute the assets of primary beneficiaries in multi-general estates to surviving beneficiaries. This authority is in accordance with the amendments to the Administrator-General's (Amendment) Act 2015.

For the year under review, the Agency issued all 14 Instruments of Distribution within 3 months of receipt, this is in comparison to the target of 90% within 3 months of the application being made.

Since the Amendment, a total of 29 IDs were issued.

The Agency is still experiencing numerous challenges obtaining proof of relationship of beneficiaries in multigenerational estates.

Additional public education strategies are being employed to bring further awareness to our efforts in transferring assets to lawful beneficiaries in multi-generational estates.

KPI 4: Take formal possession for 90% of the estates within 2.5 weeks from date of receipt of Instrument of Administration

As soon as an Instrument of Administration is issued, the AG is vested with legal authority to take control of the

realty in an estate through the process of formal possession.

This is the process by which occupants of a property, if any, are notified, usually in writing, of the interest of the Administrator-General and the Agency's responsibility of the management of the property.

It includes, but not limited to placing occupants on rent to generate income for the estate and paying relevant expenses.

KPI 5: Number of estates closed (600)

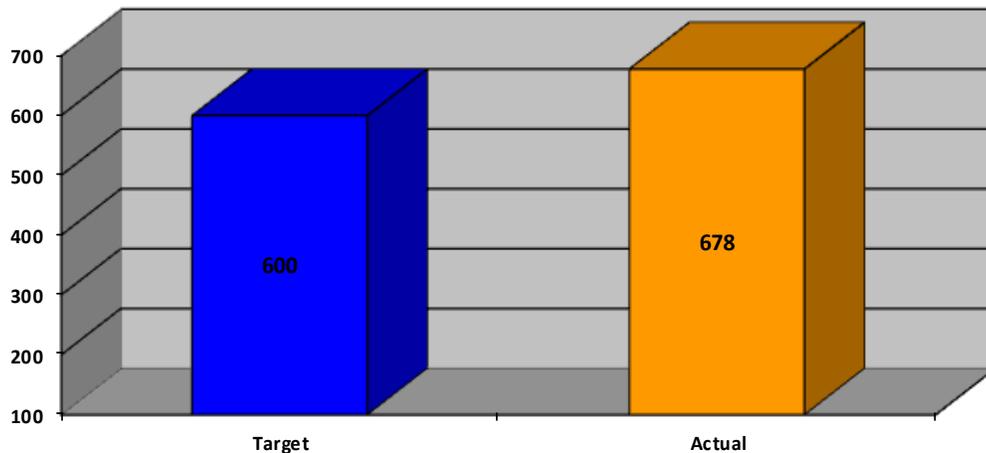
When an estate is fully administered, the assets within the estate are distributed to the beneficiaries and the case is closed. This is the final step in the administration process.

A total of 678 estate files were closed during the period, which is 13% above the projected total of 600 for the year.

Formal possession was taken in 98.61% or 142 of the 144 properties reported within 2.5 weeks of obtaining the Instruments of Administration. This represents a positive variance of 9.57% above the projection of 90% within 2.5 weeks.

The number of files closed for the year has resulted in a net reduction of 379 estates in administration having taken on 299 new cases during the year.

Number of Estates Closed



KPI 6: Number of estate accounts completed (1800)

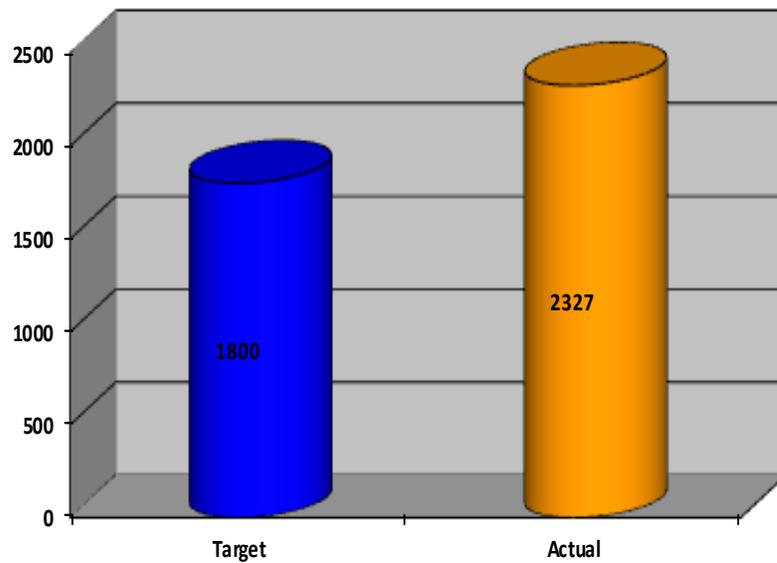
The Agency maintains up-to-date accounting records for each estate in administration to ascertain the financial position of each estate.

Statements of account were prepared in a total of 2327 estates during the year, against a projection of 1800. This was 29.27% above the projection.

The accounting process is currently a manual one, however, it will be automated with the implementation TEMS and will result in statements of account being available on a real-time basis.

The Agency is currently preparing accounting data for migration to TEMS.

Estate Accounts Completed



STRATEGIC OBJECTIVE TWO:

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

KPI 7: Average percentage return on Investment (Estate Funds) (6±2%)

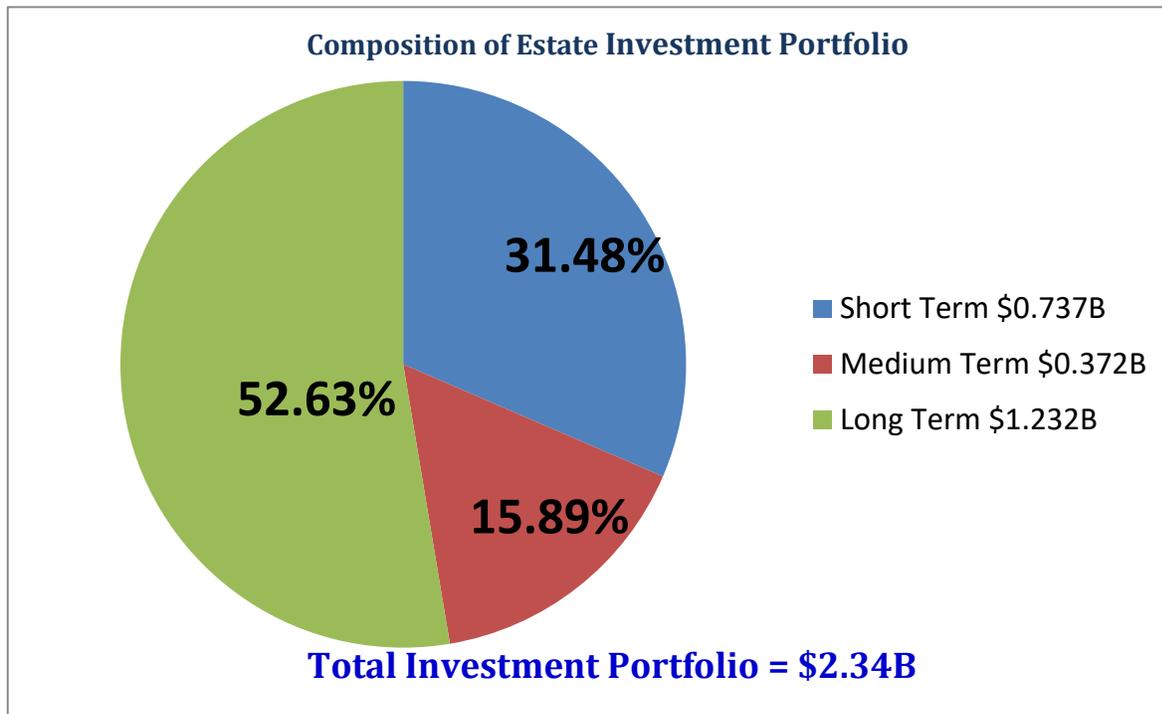
Cash assets in estates are pooled in a Common Fund and invested in secured government instruments to maximise return while providing security from risk exposure.

An average of 6.78% return was earned on the investment portfolio during the year which was within the projected range.

The value of the portfolio at the start of the year was \$2.26B. There was an inflow

of \$0.63B in the portfolio while payments for the period amounted to \$0.55B. These payments were made directly to beneficiaries and also to cover estate related expenses.

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



KPI 8: Percentage of tenants with arrears over 3 months against whom action taken to recover rent (95%)

The Agency is mandated to manage the property in a manner that will maximise the net worth to beneficiaries. As part of this effort, habitable unoccupied properties are rented to generate revenue for the estate and to protect the asset.

Of the 342 tenants in arrears for more than 3 months, actions were taken against 327 or 95.61% during the period.

In some cases, the property is prone to be vandalised if left unoccupied. In reducing this risk, the Agency has taken a decision to maintain tenants in those properties.

The Agency continues to place more focus on closing estates in backlog. The amending Act will assist in this effort to rid the Department of these backlog estates as they contribute to a significant portion of the arrears.

KPI 9: Percentage of existing insurable properties insured by the renewal date (based on availability of funds) (95%)

In managing the assets in an estate the Agency is required to insure properties which are insurable. Insuring properties will however depend on the availability of funds and the beneficiaries' ability to pay the amounts to cover the cost of insuring.

All insurable properties with funds were insured by the renewal date of May 31.

Additionally, all new insurable properties received after the renewal date was subsequently insured where funds were available. This has resulted in a 100% achievement.

STRATEGIC OBJECTIVE THREE:

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

KPI 10: Staff Costs Managed within Budget (\$306.7M)

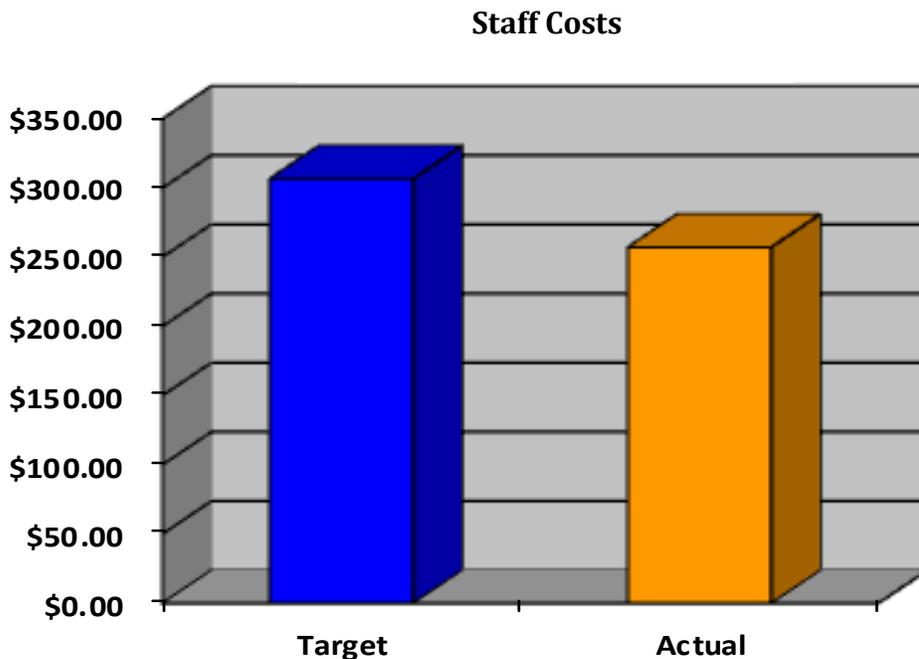
The 2016/2017 staff costs budget represents 70% of the overall budget for the Department and is a combination of salary-related payments.

A total of \$257.2M was spent during the year against a budget of \$306.7M, a positive variance of 16.14%.

The portion of the budget not expended represents amounts for outstanding incentive, increment, gratuity and savings

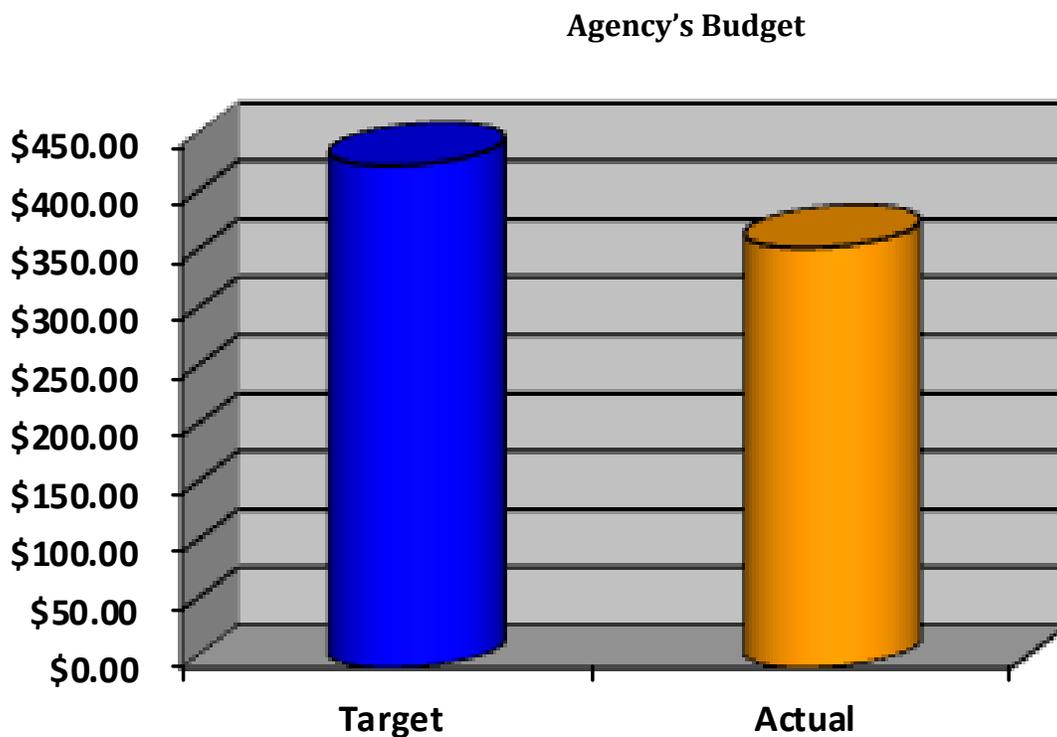
resulting from staff members who resigned or retired from the Department but were not replaced during the year.

The outstanding incentive, increment and gratuity payments will be carried forward to the 2017/2018 budget.



KPI 11: Agency's budget managed effectively (\$432.64M)

The total expenditure of the Agency for the year was \$361.94M from a budget of \$432.64M, resulting in a 16.34% savings. This was as a result of funds budgeted for the procurement of TEMS, rental of additional office space and staff related costs.



KPI 12: Revenue Earned (\$123.169M)

Revenue collected for the year amounted to \$164.18M against a budget of \$123.169M. The positive variance was attributable to an improvement in the inflow in legal fees resulting from a

reduction in the time taken to issue Instruments of Administration.

In addition to the revenue earned, further contribution was made to the budget

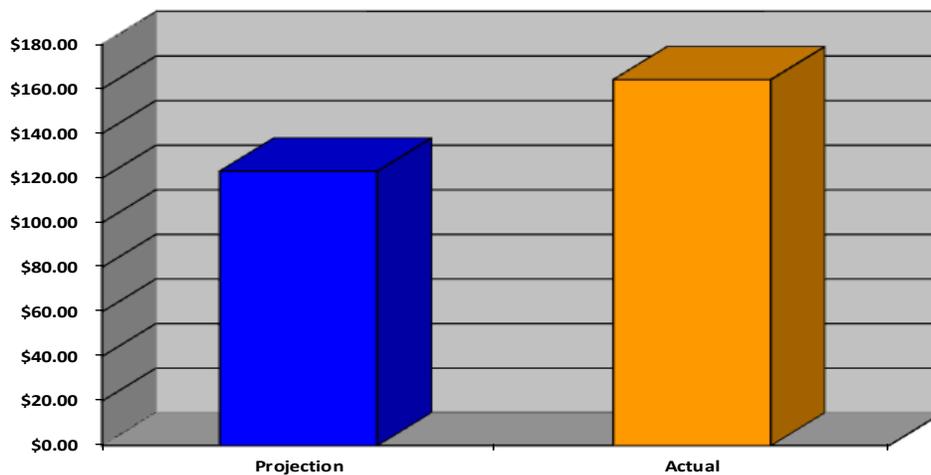
from surplus income of \$44.5M, totalling Appropriation In Aid (A-I-A) contribution of \$208.68M. This amounted to 57.66% of expenditure for the year.

The Department continues to incrementally increase its contribution to its budget through improvements in its service delivery resulting in additional revenue.

There will continue to be an increase in the accounts receivable as some estates did not have sufficient funds to settle their costs for legal fees.

The Department has waived fees in some estates where there are insufficient funds to pay associated costs and there is sufficient evidence to prove the beneficiaries' inability to pay the costs.

Revenue Earned



KPI 13: Business Plan to be submitted to the Ministry of Justice (November 30)

The Agency's Strategic Business Plan outlines the strategic direction and defines key objectives for the 2017/2018 - 2019/2020 period.

The corporate planning process for the Agency began in September with a

number of sessions held with the Executives and Senior Management team. As a result, the objectives of the Agency were defined and key performance indicators generated.

The Plan was subsequently prepared and submitted to the Ministry of Justice on November 30, in accordance with the targeted timeframe.

STRATEGIC OBJECTIVE FOUR:

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

KPI 14: COMPLETE DATA CLEANSING PROCESS OF EXISTING ACCESS DATABASES AS PER APPROVED DATA-SET (Dec 31)

The contract with the selected developer was signed on August 11, 2016 and the development process which is scheduled to take 15 months commenced immediately thereafter. The final deliverable is expected by December 6, 2017.

Data cleansing represents the updating of manual records into electronic form to aid the process of migration when the system is ready for implementation. The accuracy of data cleansing is critical to the data migration plan, therefore it was

noted that more time was required to ensure the readiness of data.

After careful assessment, it was decided that due to the dynamic nature of the data, the size of the approved data-set, the volume of work involved and the level of detail required, it would not allow for the completion of all the activities in the data cleansing process by December 31, 2016.

In light of the issues, a submission was made to the Ministry of Justice seeking approval to have this KPI deferred to 2017/2018. Approval was subsequently received.

KPI 15: Review and make recommendations for Information and Communications Technology (ICT) infrastructure improvement

Based on the dynamic nature of information and communication technology, it is important that the Agency is up-to-date with current ICT developments and be ready to respond quickly to the needs of the organisation.

The Department was required to review its ICT infrastructure and submit recommendations by October 14, in order to identify any software and hardware needs that would be required to maintain a system that will enhance service delivery.

The review was completed and the recommendations submitted October 14, in accordance with the timeframe.

Arising out of the recommendations, the Agency purchased equipment and software including servers, computers, scanners and firewall required for the implementation of TEMS.

KPI 16: Maintain backup of 95% of the Agency's approved data-set (at least 95%)

Protection of data is critical to the continuity of the operations of the Agency. Accordingly, it was necessary to utilise the major market options in a bid to preserve all data and to ensure ease of retrieval in the event of equipment failure or natural disasters.

In order to facilitate business continuity, 100% of the approved dataset were backed-up utilizing three different media; onsite using tape drives, off-site at a secured government office and through cloud technology.

STRATEGIC OBJECTIVE FIVE:

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

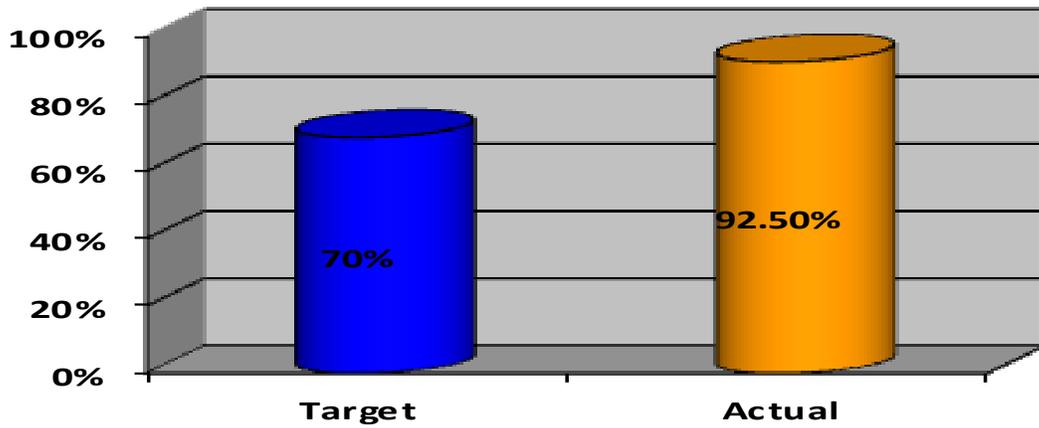
KPI 17: Percentage of staff receiving an average of 3 hours training (70%)

Having a well competent workforce was one of the major priorities for the Agency as it is necessary to fulfil the Agency's mandate.

Consequently, much resource was invested to provide continuous training and development for staff members at all level of the organization. This was in an effort to ensure that staff members were equipped to effectively execution of their duties.

For the year, 92.5% of staff received a minimum of three (3) hours training against a target of 70%, a positive variance of 32.14%. Targeted training relevant to the work of the AGD was conducted in procurement procedures, interpersonal relationships, stress management, performance management and intellectual property rights. These sessions were facilitated by organisations including the Ministry of Justice, the Office of the Prime Minister and Management Institute for National Development (MIND).

Staff Training



ADMINISTRATION

KPI 18: Renew the Agency's Insurance Policy (April 30)

The Agency continued to be cautious in the management of its fixed assets during the year in order to provide protection against risks.

Consequently, the Agency's insurance policy for fixed assets was renewed on April 27. All fixed assets received after the renewal date was insured immediately after acquisition.

APPENDICES

APPENDIX I

Administrator-General's Department

Results of Key Performance Indicators

Financial Year 2016/2017

Indicator	Year	Weights	Results	Variance	Weighted Results
	2016/2017				
STRATEGIC OBJECTIVE 1: <i>Assess the entitlement and provide timely distribution of assets to beneficiaries and creditors to expedite closure of estates and improve customer satisfaction.</i>					
Investigations Completed					
1. Volume: Complete investigation for cases from date of receipt of Form of Particulars reporting death	300	6	330	10%↑	6
Instruments of Administration & Distribution					
2. Issue 90% of Instruments of Administration within 3 months from date of referral	90%	6	100%	11.11%↑	6
3. Issue 90% of Instruments of Distribution within 3 months from date of referral	90%	6	100%	11.1%↑	6
Assets Collected					
4. Speed: Take formal possession for 90% of the estates within 2.5 weeks from date of receipt of Instrument of Administration	90%	5	98.6%	9.57%↑	5

Estates Closed					
5. Volume: Number of cases closed	600	8	678	23%↑	8
Trust Accounting					
6. Volume: Number of estate accounts completed	1,800	8	2,327	12.5%↑	8
STRATEGIC OBJECTIVE 2: <i>Optimize the net worth of each estate within the law to maximize the value that will accrue to beneficiaries.</i>					
Investment					
7. Quality: Average percentage return on Investment (Estate Funds)	6±2%	5	6.78%	13%↑	5
Property					
8. Efficiency: Percentage of tenants with arrears over 3 months against whom action taken to recover rent	95%	4	95.6%	0.64%↑	4
9. Efficiency: Percentage of existing insurable properties insured by the renewal date (based on availability of funds)	95%	5	100%	5.26%↑	5
STRATEGIC OBJECTIVE 3: <i>Provide strategic planning and direction and ensure the cost-effectiveness of the Agency's operations through prudent financial management</i>					
Finance					
10. Efficiency: Staff costs managed within budget	\$306.7M	4	\$257.2M	16.14%↑	4
11. Efficiency: Agency's budget managed effectively	\$432.704M	6	\$361.94M	16.34%↑	6
12. Volume: Revenue Earned	\$123.169M	7	\$164.18M	33.3%↑	7

Corporate Planning

13. Efficiency: Business Plan to be submitted to the Ministry of Justice	Nov-30	6	Submitted November 30	-	6
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STRATEGIC OBJECTIVE 4:

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

Information Technology

14. Efficiency: Complete data cleansing process of existing access databases as per approved data-set	31-Dec	4	<i>approval received to defer measurement of target</i>	-	0
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15. Efficiency: Review and make recommendations for Information and Communications Technology (ICT) infrastructure improvement	Report to be submitted by October 14	4	Submitted October 14	-	4
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16. Efficiency: Maintain backup of 95% of the Agency's approved data set	At least 95%	4	100%	5.26%↑	4
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STRATEGIC OBJECTIVE 5:

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

Human Resource

17. Quality: Percentage of staff receiving an average of 3 hours training	70%	6	93.5%	33.57%↑	6
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Administration

18. Efficiency: Renew the Agency's insurance policy	Apr-30	6	Renewed April 30	-	6
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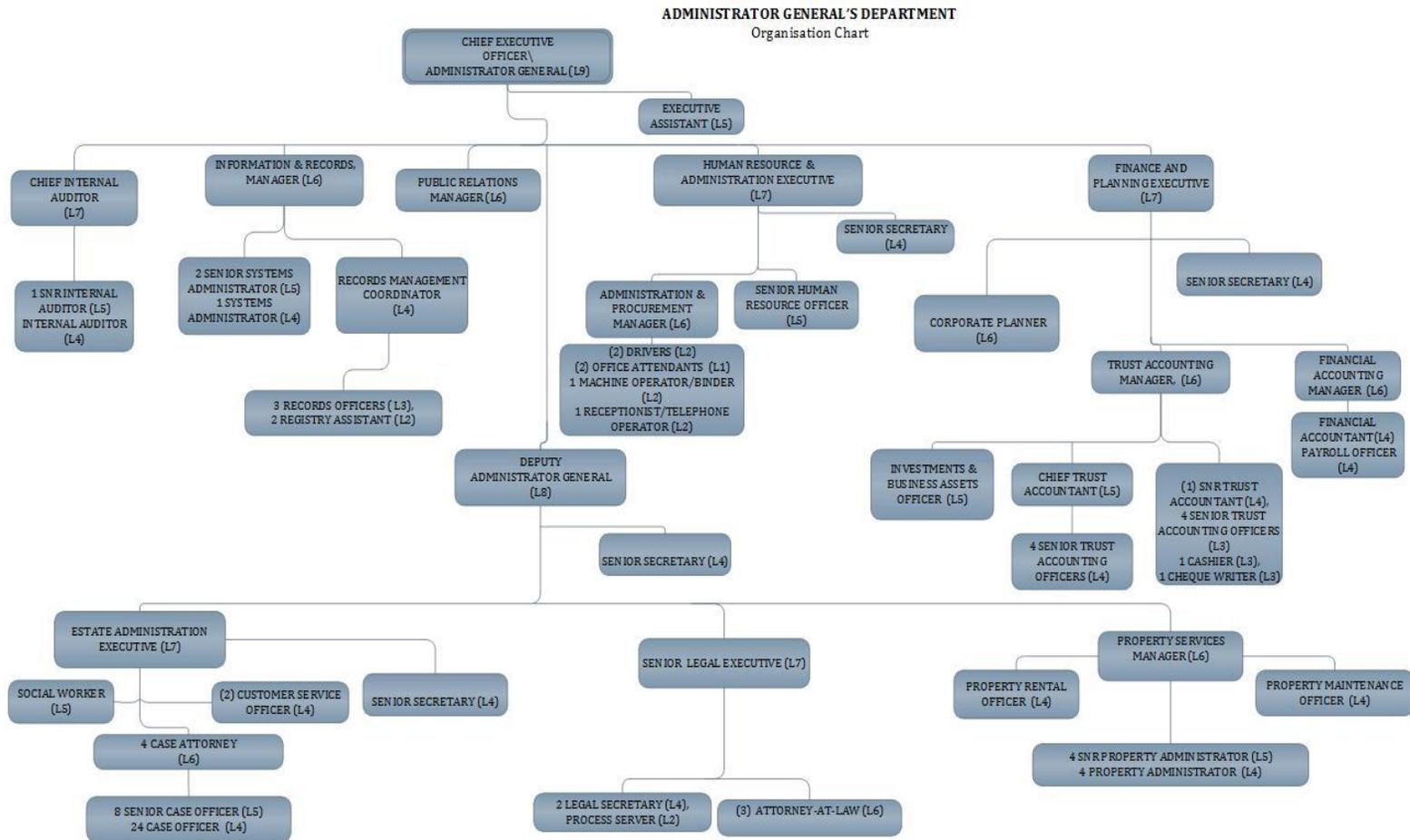
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APPENDIX II

AGD's Organisational Structure



APPENDIX III

ADMINISTRATOR-GENERAL'S DEPARTMENT

FINANCIAL STATEMENTS

MARCH 31, 2017

ADMINISTRATOR GENERAL'S DEPARTMENT
Audited financial statements
Year ended March 31, 2017

Table of Contents

	Page
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Financial Performance	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5



AUDITOR GENERAL'S DEPARTMENT
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Tel. No.: 926-8309/926-5963/926-5846
Fax Number: 968-4690
audgen@auditorgeneral.gov.jm

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:-

November 21, 2017

INDEPENDENT AUDITOR'S REPORT

ADMINISTRATOR GENERAL'S DEPARTMENT
PERIOD APRIL 1, 2016 - MARCH 31, 2017
AUDIT REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying Financial Statements of the Administrator General Department, set out on pages 1 to 15, which comprise the Statement of Financial Position, as at March 31, 2017, Statement of Financial Performance, Statement of Changes in Equity, Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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, 2017 and of its financial performance, and its cash flows for the year ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. My staff and I are independent of the Agency in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and I have fulfilled my ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified opinion.

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. The conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

I have communicated with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that was identified during the audit.

Report on Additional Requirements from the Executive Agencies' Act

I have obtained all the information and explanations which, to the best of my 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 in a manner so required.

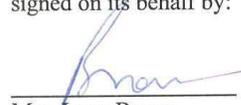

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Auditor General of Jamaica

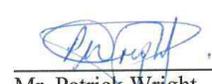
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Date

ADMINISTRATOR GENERAL'S DEPARTMENT
Statement of Financial Position
Year ended March 31, 2017

	<u>Notes</u>	<u>2017</u> \$	<u>2016</u> \$
Non-current assets			
Property, plant and equipment	4	33,587,898	18,307,518
		<u>33,587,898</u>	<u>18,307,518</u>
Software Development - WIP		<u>12,904,159</u>	<u>-</u>
Current assets			
Trade and other receivables	5	56,056,353	53,267,961
Prepayments		3,947,755	2,844,697
Cash and cash equivalents	6	201,663,740	211,336,330
		<u>261,667,848</u>	<u>267,448,988</u>
Current liabilities			
Payables and accruals	7	47,716,162	70,552,109
Employee benefits	8	53,380,957	47,487,088
		<u>101,097,119</u>	<u>118,039,197</u>
Net current assets		<u>160,570,729</u>	<u>149,409,791</u>
Total assets		<u>207,062,786</u>	<u>167,717,309</u>
Equity			
Capital (GOJ Investment)	9	1,855,200	1,855,200
General reserve		205,081,973	165,862,109
Donated Asset Reserve		125,613	-
Total equity and reserve		<u>207,062,786</u>	<u>167,717,309</u>
Total equity and liabilities		<u>207,062,786</u>	<u>167,717,309</u>

The financial statements was approved for issue by management on October 12, 2017 and signed on its behalf by:


 Mrs. Lona Brown
 Administrator-General & CEO


 Mr. Patrick Wright
 Finance & Planning Executive

The accompanying notes on pages 5-15 form an integral part of the financial statements.

	Notes	<u>2017</u> (\$)	<u>2016</u> (\$)
INCOME			
Investment fees		69,535,368	66,326,117
6% Commissions		32,923,947	29,401,633
Property management fees		722,206	676,234
Administration fees		1,647,995	1,726,520
Legal fees		139,851,534	77,716,715
Total income		<u>244,681,049</u>	<u>175,847,218</u>
EXPENDITURE			
Staff costs	10	256,593,829	220,047,537
Travel expense and subsistence		5,550,491	6,250,126
Goods and services	11	34,692,520	29,238,163
Premises related services	12	25,427,712	18,947,442
Public utilities	13	9,160,540	6,763,286
Depreciation	4	8,719,389	4,368,767
Other cost	14	80,287,988	20,998,602
Total operating expenses		<u>420,432,469</u>	<u>306,613,924</u>
Operating deficit		(175,751,420)	(130,766,706)
Profit/(Loss) on disposal of fixed assets		(9,082)	-
Funding from Revolving Fund and Transport A/C		4,231,832	3,922,576
Management fees		(514,101)	(1,151,805)
Donated asset amortization		7,389	-
Interest income		6,940,110	6,865,952
Other income		-	300,000
Net deficit before GOJ Financing		<u>(165,095,272)</u>	<u>(120,829,983)</u>
GOJ financing from Consolidated Fund		243,535,000	241,009,000
Net (deficit)/surplus after GOJ financing		78,439,728	120,179,017
50% Net surplus to Consolidated Fund	7(a)	(39,219,864)	(60,089,509)
Net (deficit)/surplus		<u><u>39,219,864</u></u>	<u><u>60,089,509</u></u>

	Capital (GOJ Investment)	Donated Assets Reserve	General Reserve	Total
	\$		\$	\$
Balance as at March 31, 2015	1,855,200	-	105,772,599	107,627,799
Net surplus for the year	-	-	60,089,510	60,089,510
<hr/>				
Balance as at March 31, 2016	1,855,200	-	165,862,109	167,717,308
Net surplus for the year	-		39,219,864	39,219,864
Movement during the year	-	125,613	-	125,613
<hr/>				
Balance as at March 31, 2017	1,855,200	125,613	205,081,973	207,062,786

ADMINISTRATOR GENERAL'S DEPARTMENT
Statement of Cash Flows
Year ended March 31, 2017

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
Cash flows from operating activities:			
Deficit for the year before GOJ financing		(165,095,272)	(120,829,983)
Recurrent financing from Consolidated Fund		<u>243,535,000</u>	<u>241,009,000</u>
Surplus for the year after GOJ financing		78,439,728	120,179,017
50% net surplus for payment to Consolidated Fund		<u>(39,219,864)</u>	<u>(60,089,509)</u>
Net Surplus		39,219,864	60,089,509
Adjustments:			
Depreciation		8,719,389	4,368,767
		(7,389)	-
Loss on Disposal		9,082	-
Increase in receivables		(3,891,450)	(6,361,775)
Increase in current liabilities		<u>(16,942,078)</u>	<u>21,168,173</u>
Net cash used in operating activities		<u>27,107,418</u>	<u>79,264,674</u>
Cash flows from investing activities:			
Capital expenditure	4	(24,055,838)	(14,004,606)
Expensed for Software development		(12,904,159)	-
Proceed from disposal of PPE		46,986	-
Net cash used in investing activities		<u>(36,913,011)</u>	<u>(14,004,606)</u>
Cash flows from financing activities			
Donation assets received		<u>133,003</u>	-
Increase in cash and cash equivalents		(9,672,590)	65,260,068
Cash and cash equivalents at beginning of year		<u>211,336,330</u>	<u>146,076,262</u>
Cash and cash equivalents at end of the year		<u>201,663,740</u>	<u>211,336,330</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

1. 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).
2. 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.

As per decision of Chief Executive Board on May 18, 2012, provision is made for 100% of Legal Fees receivable for more than six months.

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 enrollment 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, 2016 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 & June 2015) 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.

3. 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>2017</u>	<u>2016</u>
	\$	\$
Financial asset – investment in EAIF	<u>155,038,703</u>	<u>118,319,899</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	47,716,162	47,716,162	41,631,778	6,084,384
Employee benefits	53,380,957	53,380,957	38,759,125	14,621,832
At March 31, 2017	101,097,119	101,097,119	80,390,903	20,706,216

<u>Financial liabilities</u>	Carrying amount	Contractual amount	Due within 3 months	Due within 1 year
	\$	\$	\$	\$
Payables and accruals	70,552,109	70,552,109	64,837,325	5,714,784
Employee benefits	47,487,088	47,487,088	-	47,487,088
As At March 31, 2016	118,039,197	118,039,197	64,837,325	53,201,872

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:

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash and cash equivalents	<u>201,663,740</u>	<u>211,336,330</u>
Trade and other receivables	<u>55,841,807</u>	<u>53,267,961</u>

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:

	Computers \$	Fixtures & Fittings \$	Motor Vehicles \$	Office Equipment \$	Total \$
At cost /valuation April 1, 2016	27,459,456	17,428,019	13,169,535	6,357,960	64,414,971
Additions	19,244,392	2,903,311	-	1,908,135	24,055,838
Disposals	(3,128,457)	(304,726)	-	(87,008)	(3,520,191)
	43,575,391	20,026,604	13,169,534	8,179,087	84,950,630
Depreciation at April 1, 2016	21,328,804	12,743,116	7,923,623	4,111,910	46,107,453
Charges for the year	5,399,918	894,753	1,665,808	758,911	8,719,389
Disposals	(3,128,457)	(249,329)	-	(86,324)	(3,464,110)
	23,600,265	13,388,540	9,589,431	4,784,497	51,362,732
Net Book Value					
March 31, 2017	19,975,126	6,638,078	3,580,104	3,394,590	33,587,898
March 31, 2016	6,130,651	4,684,904	5,245,911	2,246,050	18,307,517

5. Trade and other receivables

	<u>2017</u> \$	<u>2016</u> \$
Estate-related fees (i)	216,142,310	131,359,175
Less: impairment allowance	(170,085,294)	(89,797,306)
	<u>46,057,016</u>	<u>41,561,869</u>
Interest receivable	926,584	779,947
Staff loans	8,068,662	5,608,190
Other receivables	1,004,091	5,317,955
	<u>56,056,353</u>	<u>53,267,961</u>

(i) Estate-related Fees

	<u>2017</u> \$	<u>2016</u> \$
Legal fees	205,085,966	122,936,740
Less: impairment allowance	(170,085,294)	(89,797,306)
	<u>35,000,672</u>	<u>33,139,434</u>
Transport and Revolving	1,369,247	782,900
6% commission payments	1,847,129	743,379
6% commission rent	263,558	228,036
6% commission interest	981,818	746,903
Administration fees	173,210	136,750
Property management fees	428,429	20,592
0.75% Investment fees	5,992,953	5,763,875
	<u>46,057,016</u>	<u>41,561,869</u>

As at March 31, 2017 legal fees of \$170,085,294 (2016, \$89,797,306) were impaired and fully provided for.

6. Cash and cash equivalents

The cash and cash equivalents balance is comprised as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash at bank and in hand	46,625,037	93,016,430
Investments	155,038,703	118,319,900
	<u>201,663,740</u>	<u>211,336,330</u>

The investments represent short-term deposits invested in the Executive Agency Investment Funds (from 30 days to 91 days) at interest rates ranging from 3% to 6%.

7. Payables and accruals

	<u>2017</u>	<u>2016</u>
	\$	\$
50% Net surplus owed to Accountant General (a)	34,873,999	60,089,509
Statutory deductions	(190,491)	288,933
Management fees	6,078,884	5,564,783
Accrued expenses	4,696,626	2,753,229
General Consumption Tax	2,257,144	1,351,886
Estate Payable	-	503,769
	<u>47,716,162</u>	<u>70,552,109</u>

a. 50% Net surplus to Consolidated Fund

This represents fifty percent (50%) of the surplus payable to the Consolidated Fund as at March 31, 2017 in accordance with the Financial Instructions to Executive Agencies issued by the Ministry of Finance.

	<u>2017</u>	<u>2016</u>
	\$	\$
Amount payable as at April 1	60,089,509	51,130,580
Current amount	39,219,864	60,089,509
Amount disbursed	(64,435,374)	(51,130,580)
Amount payable as at March 31	<u>34,873,999</u>	<u>60,089,509</u>

8. Employee benefits

	<u>2017</u>	<u>2016</u>
	\$	\$
Provision for vacation leave	14,621,832	10,306,683
Provision for incentive	27,570,000	25,800,000
Salary arrears	691,273	405,921
Gratuity	10,497,851	10,974,483
	<u>53,380,957</u>	<u>47,487,088</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>2017</u> \$	<u>2016</u> \$
Salaries and wages	239,841,855	205,022,719
Statutory and other contributions (i)	<u>16,751,974</u>	<u>15,024,818</u>
	<u>256,593,829</u>	<u>220,047,537</u>

(i) During the financial year the Agency contribution to the Executive Agency Pension Scheme amounted to:

	<u>2017</u> \$	<u>2016</u> \$
	<u>6,509,807</u>	<u>6,410,991</u>

b. Salary range

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	5
2,250,000.00 – 2,500,000.00	9
2,500,000.00 – 2,750,000.00	3
2,750,000.00 – 3,000,000.00	2
3,000,000.00 – 3,250,000.00	6
3,250,000.00 – 3,500,000.00	3
3,500,000.00 – 3,750,000.00	1
3,750,000.00 – 4,000,000.00	3
4,750,000.00 – 5,000,000.00	2
5,000,000.00 – 5,250,000.00	2
5,500,000.00 – 5,750,000.00	1
5,750,000.00 – 6,000,000.00	0
6,500,000.00 – 6,750,000.00	1
6,750,000.00 – 7,000,000.00	0
7,250,000.00 – 7,500,000.00	1
Total	<u>39</u>

10. Staff costs (cont'd)

c. Remuneration of Key Management Personnel

Position	Salary \$	Gratuity and performance incentive \$	Travelling allowance \$	Allowances \$	Total 2017 \$	Total 2016 \$
C.E.O/Administrator General	6,512,790	1,864,097	670,812	388,835	9,436,534	7,316,289
Deputy Administrator General	4,544,696	2,505,477	1,341,624	367,835	8,759,632	5,994,346
Senior Legal Executive	3,200,000	233,368	1,341,624	367,835	5,142,827	4,247,010
Human Resource and Administration	3,753,320	2,067,325	1,341,624	-	7,162,269	4,863,656
Chief Internal Auditor	3,396,940	196,085	1,341,624	-	4,934,649	4,517,656
Estate Administration Executive	3,499,940	-	1,341,624	367,835	5,209,399	4,980,020
Finance and Planning Executive	4,163,624	2,347,615	1,341,624	-	7,852,863	5,262,009
Total	29,071,310	9,213,967	8,720,556	1,492,340	48,498,173	37,180,986

Key performance indicators (KPI)

At the date of the financial position the KPI for the financial year was not revised by the Chief Internal Auditor for inclusion in the financial statements. However, the KPI will be included in the Agency's Annual Report.

11. Goods and services

	<u>2017</u>	<u>2016</u>
	\$	\$
Repairs and Maintenance	3,335,833	2,577,474
Consultancy	3,440,164	2,078,472
Stationery	1,923,625	1,206,551
Insurance	424,255	706,162
Maintenance of Computers	5,741,315	5,247,941
Operating Expenses	19,351,556	11,955,539
Management Fees	514,101	1,151,805
GCT With-holding Tax	(38,329)	(38,329)
	<u>34,692,520</u>	<u>29,238,163</u>

12. Premises related expenses

	<u>2017</u>	<u>2016</u>
	\$	\$
Rental of building	23,056,312	16,999,142
Rental of parking space	2,371,400	1,948,300
	<u>25,427,712</u>	<u>18,947,442</u>

13. Public utilities

	<u>2,017</u>	<u>2016</u>
	\$	\$
Electricity	3,776,722	3,748,386
Telephone voice	1,264,244	781,331
Telephone cellular	805,226	148,287
Telephone fax	62,757	49,833
Internet charges	1,690,031	924,733
Data Back up and Hosting	1,561,561	1,110,716
	<u>9,160,540</u>	<u>6,763,286</u>

14. Other cost

	<u>2,017</u>	<u>2016</u>
	\$	\$
Impairment of receivable	<u>80,287,988</u>	<u>20,998,602</u>

15. Procurement Information

<u>Expenditure range \$</u>	<u>Number of Suppliers</u>	<u>Total Value (\$)</u>
200,000-89,000,000	9	<u>111,535,516.31</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.

APPENDIX IV

COMPENSATION FOR MEMBERS OF THE ADVISORY BOARD

For the year ended March 31, 2017

Name of Member of Advisory Board	Year	Total Allowance (\$)
WHITE, Rennard (Chairman)	2016/2017	50,000.00
ALDRED, Marlene	2016/2017	30,000.00
PHILLIP, Rose	2016/2017	22,500.00
PRATT, Henry	2016/2017	30,000.00
WINT MCKENZIE, Marie	2016/2017	22,500.00
WILKINS, Nadine	2016/2017	-
TOTAL PAYMENT	2016/2017	155,000

When should I report a death to the... **ADMINISTRATOR-GENERAL'S DEPARTMENT**

You **MUST** report the death of a person to our office where these three circumstances exist:

- The deceased did not leave a Will (that is, died intestate);
- The deceased left children under the age of 18 years; and
- There are assets in the estate such as property, bank accounts, insurance policies, shares, motor vehicle, NHT Contribution Refund

In order to process the report of a death, we will require the following from you:

1. A properly completed Form of Particulars (FP) witnessed by a Justice of the Peace or Notary Public. (The FP is available at our offices and on our website at www.agd.gov.jm)
2. Original Death Certificate
3. Proof that you are related to the deceased for example Birth Certificate, Marriage Certificate
4. Proof of assets belonging to the deceased including bank passbooks, land ownership documents (eg. duplicate Certificates of Title and Common Law Conveyance), share certificates, motor vehicle documents, insurance policies, certificates of deposit
5. Funds towards administration expenses, if no cash is left by the deceased

An Instrument of Administration will be issued by the Agency within three (3) months of all the required documents being submitted. This Instrument allows the Administrator-General to administer the estate.

Before reporting the death, you can call our office for any further information that you may need:

12 Ocean Boulevard, P.O. Box 4434,
Kingston, Jamaica, W.I.

Tel: 876-723-3782 / 876-676-1, Dpext: 610-1542
Fax: 876-676-1, Email: agd@agd.gov.jm

428 Union Street, Montego Bay,
St. James, Jamaica, W.I.

www.agd.gov.jm

Tel: 876-523-2222



CORPORATE INFORMATION

Locations:

Kingston

3rd Floor
The Office Centre Building
12 Ocean Boulevard
Kingston

Tele: 922-4038 or 922-1830-3

Fax: 948-5475

E-mail: admingen@agd.gov.jm

Montego Bay

42 Union Street, 2nd Floor
Montego Bay
Saint James

Telephone: (876) 630-4261

Fax: (876) 630-4653

E-mail: admingenmobay@agd.gov.jm

Website:

www.agd.gov.jm