

Chapter 15

Public Guardian and Trustee of Saskatchewan

1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Public Guardian and Trustee of Saskatchewan (PGT) for the year ended March 31, 2015.

PGT's 2014-15 financial statements are reliable. PGT complied with the authorities governing its activities related to financial reporting, revenue raising, spending, and investing. Other than the need to improve its financial record keeping practices, PGT had effective rules and procedures in place to safeguard public resources.

Our audit found that the individual client records were accurate and complete.

2.0 INTRODUCTION

The Public Guardian and Trustee of Saskatchewan (PGT) operates under *The Public Guardian and Trustee Act* and other provincial statutes. The mandate of PGT is to:

- › Protect the property rights of children under the age of 18
- › Manage the financial or personal affairs of adults who are incapable of managing those affairs, and estates of deceased persons and missing persons
- › Hold and administer unclaimed property¹

At March 31, 2015, PGT held net assets related to the estates and trusts it administers totalling \$217.5 million (2014: \$205.0 million). For the fiscal year ended March 31, 2015, PGT had revenue of \$47.6 million (2013-14: \$43.4 million), client care and maintenance expenses of \$23.4 million (2013-14: \$21.7 million), and cash distributions to clients, beneficiaries and heirs of \$20.2 million (2013-14: \$16.6 million).

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2015:

- › **PGT's financial statements are reliable**
- › **PGT had effective rules and procedures to safeguard public resources except for the need to improve its financial record keeping practices**
- › **PGT complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Administration of Estates Act
The Administration of Estate Regulations
The Adult Guardianship and Co-decision-making Act
The Adult Guardianship and Co-decision-making Regulations
The Children's Law Act, 1997

¹ Ministry of Justice, Office of the Public Guardian & Trustee, *Annual Report for 2014-15*, p. 2.



The Dependent's Relief Act, 1996
The Executive Government Administration Act
The Missing Persons and Presumption of Death Act
The Missing Persons and Presumption of Death Regulations
The Pension Benefits Act, 1992
The Pension Benefits Regulations, 1993
The Pension Benefits Standard Regulations 1985 (Canada)
The Public Guardian and Trustee Act
The Public Guardian and Trustee Regulations
The Trustee Act, 2009
Orders in Council issued pursuant to the above legislation

We used the control framework published by CPA Canada to make our judgments about the effectiveness of PGT's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We examined the effectiveness of the financial-related controls PGT used to administer its revenues, expenses, assets, and liabilities. Also, we examined the effectiveness of the controls it used to keep reliable financial records and prepare reliable financial reports.

4.0 KEY FINDINGS AND RECOMMENDATION

4.1 Changes in Financial Record Keeping Practices Needed

PGT needs to improve its financial record keeping practices.

During 2014-15, PGT recorded some of its financial activities using the cash basis of accounting instead of following Canadian public sector accounting standards (GAAP) (e.g., it did not record how much it owed to or was owed by third parties related to net client assets). Also, contrary to GAAP, PGT did not record separately the amount of client assets acquired and the client assets sold, nor did it determine or record the amount of gains or losses realized on client assets it sold on behalf of families and estates. For the year ended March 31, 2015, the net client assets acquired was \$6.8 million (2013-14: \$19.2 million).

Also, the 2015 financial statements did not include a statement of cash flows. PGT received and distributed cash throughout the year, and held \$6.9 million in cash and due from the General Revenue Fund at year-end.

Using GAAP to record financial activity helps ensure users of the financial reports receive useful and credible information necessary to make decisions. Incorrect or incomplete financial reports could result in inappropriate decisions by those responsible for monitoring operations and management's performance.

- 1. We recommend that the Public Guardian and Trustee of Saskatchewan maintain complete and accurate financial records to enable it to prepare complete and accurate financial statements.**

Our audit found that individual client records were accurate and complete.