



Office of the Public Guardian and Trustee 2018 Value-for-Money Audit

Why We Did This Audit

- The Office of the Public Guardian and Trustee (Public Guardian) provides property guardianship services to about 12,000 people (clients) who are incapable of managing their own finances; as such, it can significantly influence its clients' quality of life.
- As of May 2018, the Public Guardian managed about \$145 million of assets belonging to estates of deceased people as directed by the court. It also oversaw the distribution of these assets to heirs that it validated.

Why It Matters

- The primary mandate of the Public Guardian is to protect the rights and property of those who cannot do so for themselves, including managing the finances and personal care needs of those under guardianship.
- Professionals such as nurses and social workers assess whether a person should have their finances managed by the Public Guardian. The Capacity Assessment Office, which reports to the Public Guardian and Trustee, trains these individuals. Physicians in psychiatric hospitals conduct these assessments as well.

What We Found

- Public Guardian staff visited only a small portion—between about 7% and about 15%—of property guardianship clients in each of the last five years, hampering their full understanding of clients' needs when managing their finances.
- Capacity Assessment Office-retained experts in capacity assessments found quality concerns with half of the capacity assessors in 2016 and 2017, even though capacity assessors choose the assessments to be reviewed.
- Several vulnerable populations, including those hospitalized with acquired brain injury and youths with mental illness, are not systematically assessed for capacity to manage property, and stakeholder groups indicated some could benefit from Public Guardian services.
- Public Guardian staff do not consistently identify, secure and track client assets on a timely basis, presenting a risk of clients' belongings being lost or misappropriated.
- The Public Guardian invests clients' funds in various investment products following internally developed investment policies. These policies have never been reviewed by the financial experts that the Public Guardian retained for investment advice. The majority of clients' funds are invested in a low-return, low-risk investment product, earning about 2% interest.
- Public Guardian staff detected about \$1 million of errors in client accounts between 2015/16 and 2017/18; about half of the \$1 million related to missed opportunities to collect various incomes, such as disability income, on behalf of clients.
- Legal staff have missed deadlines on several time-sensitive legal cases for clients because of weaknesses in the case management system; for example, the Public Guardian has become liable for an estimated \$5 million to cover accident benefits that clients involved in motor-vehicle accidents were entitled to receive.
- Estates staff did not identify heirs for \$28 million of estates within 10 years of death partly due to not collecting sufficient information on family relationships while clients were alive.
- The Public Guardian has not provided formal training to its estates staff to identify fraudulent identification documents that could be presented by people falsely representing themselves as heirs to multi-million-dollar estates. We noted that Ministry of Transportation staff indicated there has been an increase in the volume and quality of fraudulent documents when people apply for driver's licences and health cards in Ontario.

Conclusions

- The Public Guardian may not be managing the finances of the people most appropriately in need of its help because some clients may have been incorrectly classified as incapable and others who are incapable of managing their finances may not be assessed for whether they could benefit from property guardianship services.
- The Public Guardian has not mitigated the risk that clients' belongings could be lost and their revenue entitlements could be missed due to weak internal controls, such as tracking client assets, in its case management system.
- The Public Guardian does not have effective internal controls to support the administration and distribution of estates of deceased people in a timely and accurate manner.

Read the [Office of the Public Guardian and Trustee](http://www.auditor.on.ca) audit report at www.auditor.on.ca