

PRESS RELEASE



The Auditor General of Québec issues the conclusions of her performance audit concerning the control activities performed by the Autorité des marchés financiers and the Fonds d'indemnisation des services financiers – Press Release no. 2

Québec, May 31, 2017 – Today, Ms. Guylaine Leclerc makes public the Spring 2017 Volume. In **Chapter 2**, she makes known the results of her audit concerning the Autorité des marchés financiers.

The intervention strategy and the follow-up on irregularities observed during inspections differ depending on the activity sector. In the securities sector, the approach used by the Autorité generally allows it to ensure reasonable coverage of companies. However, for the insurance sector, it does not have the tools and all the information necessary to properly target its interventions based on risks. Furthermore, its process for following up on irregularities observed in this sector during inspections should be improved.

The process currently in place within the case assessment branch makes it possible to target and prioritize reports based on risks. However, the Autorité has difficulty meeting the deadlines it has set for itself to process investigation files. The management information at its disposal does not enable it to easily ascertain the causes of long delays and accordingly take the appropriate measures to reduce them, as needed.

The Fonds d'indemnisation des services financiers does not fully play its role, that is, to compensate victims of fraud in the identified disciplines. Over the years, the situation has not been corrected despite all the questions that have been raised in relation to the limiting effect of the eligibility criteria. In 2015-2016, for example, just one person received compensation, in the amount of \$50,000, while administrative costs were approximately \$1.2 million to analyze the 34 claims for compensation made that year.

Claim processing times are long. For the period from 2011-2012 to 2015-2016, processing times exceeded the target of 300 days set by the Autorité in 56% of cases (that is, for 217 out of 385 cases), and 52 claims took more than 600 days to process.

The Highlights are available at www.vgq.qc.ca. The full report and a video summarizing the audit are available only in French.

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Source: Lucie Roy, Director of Communications
Auditor General of Québec
Tel.: 418 691-5915