

Chapter 50

Financial and Consumer Affairs Authority—Processes to Investigate Complaints Follow Up

1.0 MAIN POINTS

Effective October 1, 2012, the Saskatchewan Financial Services Commission (Commission) became the Financial and Consumer Affairs Authority of Saskatchewan.

In 2007, we audited the Commission's processes to investigate complaints from the investing public. Investigating complaints from the investing public is a key mechanism for the Commission to detect breaches of securities law. We reported the results of our audit in Chapter 15 of our 2007 Report – Volume 3 and made five recommendations for the Commission to help improve its processes.

Our first follow-up in 2010 (2010 Report – Volume 2, Chapter 14) concluded that the Commission had implemented three recommendations but needed to do more to address the remaining two recommendations.

The Commission has addressed the remaining two recommendations.

2.0 INTRODUCTION

The Commission regulated the financial services industry in Saskatchewan. It enforced Saskatchewan securities law by setting investigation and enforcement policies, investigating complaints, hearing matters, and taking enforcement action related to violations of securities law.

3.0 STATUS OF RECOMMENDATIONS

This section sets out the two remaining recommendations and the Commission's actions up to August 31, 2012. We found that the Commission has implemented our remaining two recommendations.

3.1 Independent Review of Investigations Performed

We recommended the members of the Saskatchewan Financial Services Commission monitor all investigations of complaints from the investing public including those referred to self-regulatory organizations. (2007 Report – Volume 3; Public Accounts Committee agreement August 28, 2008)

Status – Implemented.



The Commission investigated alleged contraventions of Saskatchewan securities laws that came to its attention through complaints received from the public, its own surveillance, and referrals from other regulatory agencies. It created case files for each complaint. In 2009, Commission members began reviewing case files. This monitoring process required senior management and Commission members to ensure that necessary investigations have been conducted and appropriate conclusions have been made. Also, senior management and members of the Commission completed a checklist indicating that the files have been reviewed. We noted that all of the files that we examined during this follow-up were appropriately reviewed and documented.

3.2 Measures and Targets Established for Securities Complaints Process

We recommended the members of the Saskatchewan Financial Services Commission set performance targets to help measure progress towards objectives. (2007 Report – Volume 3; Public Accounts Committee agreement August 28, 2008)

Status – Implemented.

The Commission set a number of process-based measures and targets. For example, the Commission now has a target that complaints must be acknowledged within two days of receipt and assessed within thirty days. Management explained variation between targets and actual performance to Commission members at Commission meetings. Work is also underway on implementing outcome-based measures.