



NEWS RELEASE

For Immediate Release

July 28, 2016

Credit union regulator short-staffed, can't meet mandate

VICTORIA – Auditor General Carol Bellringer released a progress audit on changes made since her Office's 2014 report, *Credit Union Supervision in British Columbia*.

Despite making progress in many areas, the Financial Institutions Commission's (FICOM) efforts to address its staffing shortage are not working. Government pay scales limit the Commission's ability to offer competitive salaries. Without more staff, FICOM can't meet its goal of reviewing all B.C. credit unions every two to three years.

"FICOM has a great process in place to monitor credit unions," said Bellringer. "All it needs is the staff to follow through on it."

FICOM receives enough money from the credit unions, and the other organizations it monitors, to offer competitive salaries without new funding from government. It just needs the green light from government to offer market appropriate salaries.

There is a continuing risk to B.C.'s 42 credit unions, their 1.9 million members, and more than \$58 billion in deposits if FICOM isn't able to fulfil its goal of monitoring the credit unions. Unless identified early, problems in even a few small credit unions can spread feelings of uncertainty and a loss of confidence in the overall system.

"It's like having a smoke detector in your house, but not buying the batteries," said Bellringer. "No batteries, no early warning system."

FICOM has made progress on many of the original 11 recommendations. It has completed four, while another four are still in progress. The final three recommendations have had no action taken on them, two of which can't be done until an operational plan is complete.

The full report is available on the Office of the Auditor General website: www.bcauditor.com. Auditor General Carol Bellringer will answer questions pertaining to the report via a news conference and in-person should a visual be required after the news conference.

News Conference Date: July 28, 2016

Time: 11:00 a.m. (Pacific time)



OFFICE OF THE
Auditor General
of British Columbia

Dial-in Information:

From Vancouver: 604 681-0260

From elsewhere in Canada and the USA: 1 877 353-9184

Participant Pass Code: 44848#

During question and answer period, to ask a question: Press 01

During question and answer period, to exit the question queue: Press #

About the Office of the Auditor General of BC

The Auditor General is a non-partisan, independent Officer of the Legislature who reports directly to the Legislative Assembly. The *Auditor General Act* empowers the Auditor General and staff to conduct audits, report findings and make recommendations.

Contact us:

To speak to the Auditor General, call Elaine Hepburn: 250-419-6108

For general questions, call Colleen Rose, Manager, Communications: 250-419-6207

www.bcauditor.com

Subscribe to receive report e-notifications at www.bcauditor.com/reach/subscribe