

64. *Errors in Public Service Superannuation Account pension and contribution calculations.* Comments under this heading have appeared in our Reports to the House for the past four years. The Public Accounts Committee in its Fourth Report 1963 noted its concern over the high incidence of error in the superannuation accounts and in its Sixth Report 1964 expressed its further concern that the matter was taking so long to be corrected. The Committee requested the Auditor General to keep it fully informed as to the progress being made in this direction (see Appendix 1, item 24).

While our test examinations in 1964-65 indicated a reduction in the number of errors in current calculations, they continued to disclose numerous errors made in previous years. We directed the attention of the Superannuation Branch to 80 cases of non-payment or underpayment of amounts due under Vote 667 of Appropriation Act No. 5, 1958 and the Public Service Pension Adjustment Act, 1959, c. 32, amounting to \$22,700 up to February 28, 1965 and to two overpayments. A detailed check by the Branch revealed 245 additional underpayments amounting to \$30,900 to July 31, 1965 and 13 overpayments amounting to \$1,200 to September 30, 1965.

During the year the Superannuation Branch established a special review unit to check in detail the files of all contributors between the ages of 55 and 63 in order to locate any financial discrepancies before the contributors leave the service. There are some 25,000 contributors in this age group. As those over 63 will be retiring in the near future, the Branch proposes to delay checking their files until the retirement dates.

The number of contributors to the Public Service Superannuation Account is large and the numerous amendments to the Act and Regulations over the years have presented administrative problems. However, clerical work of this type is a necessary part of personnel administration in all large organizations. Its accuracy is of particular importance to the individual contributor to the Superannuation Account who should not have to accept the possibility, after retirement, of a retroactive adjustment of his pension caused by mistakes or inadequate departmental procedures. Prompt and effective steps should be taken to further improve the quality of the work and to identify and correct the numerous errors made in previous years.

The multiplicity of errors which has been the subject of comment by us in recent years had its origin in a directive dated June 11, 1957 from the then Minister of Finance which established a division of responsibility between the Superannuation Branch and the Comptroller of the Treasury. Under this division the Comptroller's pre-audit of benefit payments was discontinued and the Superannuation Branch was relieved of all responsibility for the correctness of superannuation contribution deductions from pay. Accordingly, when determining annuities to be paid, the Branch does not verify contributions made in relation to salary earned which would automatically indicate errors made at any time during the period of service and reduce the possibility of error in calculating the annuity. Even with the transfer of responsibility for administration of the Superannuation Branch to the Comptroller of the Treasury in December 1963, this simple verification was not re-introduced.