

The responsibility for the operation of the Superannuation Branch was transferred in December 1963 from the general direction of the Secretary of the Treasury Board to the Comptroller of the Treasury, the Director of Pensions and Social Insurance of the Department of Finance retaining responsibility for dealing with cases requiring legal opinions and decisions regarding superannuation policy.

On assuming this responsibility, the Comptroller of the Treasury appointed a task force to study the organizational structure of the Branch and review its existing system and procedures in depth to determine what steps should be taken toward eliminating the errors occurring in the pension and contribution calculations. He advises that following receipt of the task force's report, a series of staff meetings were held to discuss its recommendations and that a number of significant measures designed to remedy this situation have been or are in the course of being introduced.

There has been some reduction in the number of errors we have had to bring to the attention of the officers of the Branch during the past year. However, in our opinion, the incidence of error continues to be higher than it should be in an administrative operation of this type.

A reference was made in paragraph 53 of last year's Report to the lack of verification of the correctness of contributions remitted to the Central Pay Division in respect of employees of Crown corporations. We have been advised that action is being taken to correct this situation.

Paragraph No. 51 I would suggest might be put forward to 1965.

52. *Deletion of debt without collection effort.* In August 1963 it was discovered that pension payments at a rate in excess of the limit fixed by the Public Service Pension Adjustment Act were being made to a pensioner. The resulting debt was deleted from the accounts by Executive order made pursuant to section 23(1) of the Financial Administration Act.

Although the amount involved was small, the action was taken without the pensioner being informed of the overpayment or any effort being made to recover the debt. In the interest of effective internal financial control, we believe that in no case should a debt due to the Crown be recommended for deletion unless every effort has been made to collect.

Paragraph 52 applies exclusively in 1964—that is deletion of a debt without collection effort.

Our concern in this case stems partly from the fact that no attempt was made by the superannuation branch to recover the overpayment of pension. The branch has admitted that the mistake has been entirely theirs, stating that the salary from the pensioner who was over 82 years of age would probably constitute financial hardship to her. The branch advised they were not aware of her financial circumstances apart from the fact they presumed she would be in receipt of the old age pension as well as superannuation allowance. However, in view of her age they expressed reluctance to make inquiries unless the Treasury Board needed such information.

Our view here is that regardless of the circumstances of individual cases or the manner in which inquiries are undertaken to satisfy the collection effort, the