

VOTE 7. - SUPERANNUATION AND RETIRED ALLOWANCES

5. Irregularity

In the course of an audit of superannuation payments it was noted that uncashed pension payable orders were returned in May 1996 with a notification that it was believed that the pensioner had died in 1988. The payable orders were in the name of a pensioner who had been awarded a pension with effect from 1923 and had been resident in the United States of America since 1954. In November 1996, a cheque for \$6,070 was received in the Department accompanied by a letter which stated that the amount had been paid in error to the pensioner prior to May 1996. It was estimated that a net overpayment of £36,812 had arisen as a result of the payable orders being cashed after the death of the pensioner. On examination of the relevant file it was noted that neither the date of birth of the pensioner nor the pension declarations *viz.* a statement by the pensioner that s/he is alive and entitled to payment of the pension, were available and the pension payable orders had been sent for a period to an address for which no change of address notification was on file.

In response to my inquiries the Accounting Officer informed me that

- The Department was currently attempting to contact the person thought to have cashed the payable orders and every effort was being made to recover the £36,812.
- The date of birth had since been established as October 1894 and, while the exact date of death was not yet known, every effort was being made to ascertain this through diplomatic channels.
- The outstanding change of address notification had now been located. Pension declarations and change of address notification were not filed on individual files but centrally to expedite processing. Due to various reorganisations and office relocations recently undertaken, the Department was unable to locate the pension declarations in this particular case but was satisfied from checklists and other documentation still to hand that declarations were received in respect of this pensioner up to and including 1995/96.
- The dates of birth of 776 pensioners and widows are not known to the Department. Although their dates of birth are requested, many widows omit this information. The dates of birth of retired civil servants and State employees are furnished, but during an earlier period this information was not recorded when awarding pensions.
- No extra control measures were in operation in respect of very elderly pensioners or those living outside the country. The Department is considering what additional controls, if any, should be introduced in respect of pensioners living abroad. Had the problem arisen in Ireland the Department would have been able to recoup from the banks on the basis of money being paid to the wrong person as a result of fraud. Any changes in the annual declaration must be carefully examined in case they are viewed as excessive and arbitrary. In the meantime, checking procedures will be adjusted to prioritise and expedite processing of these declarations. The Department had made inquiries with other institutions which make payments to pensioners resident outside the country and had confirmed that, although it is recognised that the risk is somewhat greater, no additional controls are in place.

- Three other instances of pension overpayments had come to light in the past five years. Each case involved the overpayment of a deceased officer's pension to a surviving widow. The total overpayments amounted to £5,182 and apparently arose from inadvertent encashment. Recovery is being made in all cases.