Dear Dame Meg,

THE FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE OVERSEAS SUPERANNUATION ACCOUNTS 2020-21

I am writing to let you know that today the FCDO has laid the 2020-21 Foreign, Commonwealth and Development Office Overseas Superannuation Accounts in Parliament. The Accounts cover payments to 8,381 pensioners: 6,912 administered by the FCDO’s Overseas Pension Department and 1,469 administered on behalf of the FCDO by Crown Agents Bank. Benefit payments of £50.1m were made to the Schemes in 2020-21.

In light of the Covid-19 pandemic restrictions and the age profile of the pensioners, the FCDO took the decision to suspend their Annual Declaration of Entitlement (ADE), which provides third party attested assurance over the identity and eligibility of pensioners to receive their pension payment. In 2020-21, it was deemed unfeasible to continue with this control given the context of national lockdowns worldwide. This helped protect pensioners who may have otherwise been put at risk if obligated to provide proof of their identity attested by a third party.

The Comptroller & Auditor Generally has qualified his regularity audit opinion on these Accounts on the basis that the FCDO provided insufficient evidence to prove whether all pensioners were eligible to receive pension payments or not. The reason for this qualification was largely due to the suspension of the ADE. The C&AG’s full report can be found in the published accounts here https://www.gov.uk/government/publications/fcdo-annual-report-and-accounts-2020-to-2021.

The FCDO have re-instated the ADE for 2021-22 and intend to enhance and extend controls to help increase assurance that as far as possible payments are only made to eligible pensioners. There will, however, always remain an intrinsic risk of irregular expenditure given time lags. For example, in the event of the death of a pensioner, there is likely to be a timing delay between notification of death and suspension of pension payment which would result in recognition of an irregular payment.

30 November 2021
If you wish to discuss this matter any further with me then please do not hesitate to get in touch.

Your sincerely,

Philip Barton

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