



## Chapter 25

### Teachers' Dental Plan

#### 1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Teachers' Dental Plan (Plan) for the year ended June 30, 2012.

The Teachers' Superannuation Commission (Commission) complied with the authorities governing the Plan's activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the need for adequate support for dental payments.

The Commission had effective rules and procedures to safeguard public resources except the Commission needs to:

- › Implement processes to monitor its dental agreement with the insurance provider and have adequate support for dental payments
- › Establish guidance for preparing financial reports of the Dental Plan and include these financial statements in its annual report

The Commission has made some progress to address these issues. However, more work remains.

In this chapter, we continue to make four recommendations so legislators and the public receive accurate information about the Plan.

#### 2.0 INTRODUCTION

The Commission manages and administers the Plan. The Plan provides Saskatchewan teachers and their dependants with coverage for certain dental services. The Commission uses an insurance company (service provider) to help administer the Plan.

The Ministry of Education pays for all of the dental services provided through the Plan. During 2011-12, the Commission used the \$10 million received from the Ministry to pay for over 48,000 dental claims and related administrative costs.

#### 3.0 AUDIT CONCLUSIONS, SCOPE AND FINDINGS

**In our opinion, for the year ended June 30, 2012:**

- › **The Commission had effective rules and procedures to safeguard the Plan's public resources except as reported in this chapter**
- › **The Commission complied with the following authorities governing the Plan's activities relating to financial reporting, safeguarding public resources, revenue**

### **raising, spending, borrowing, and investing except for the need for adequate support for dental payments:**

*The Teachers' Dental Plan Act*  
Orders in Council pursuant to the above legislation

We used the control framework developed by the Canadian Institute of Chartered Accountants (CICA) to make our judgments about the effectiveness of the Plan's controls. The CICA defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

## **3.1 Adequate Support for Dental Payments Needed**

We recommended that the Teachers' Superannuation Commission have adequate support for dental payments. (2009 Report – Volume 1; Public Accounts Committee agreement September 1, 2009)

**Status** – We continue to make this recommendation.

In our audit, we found that neither the Commission nor the service provider requires proof of enrollment to a post-secondary institution for dependents when claims are made for dependents between the ages of 21 to 26. The proof of enrollment provides support that payments are made only to eligible recipients. The Commission is working with its service provider to develop and implement a process to identify those dependents between the ages of 21 to 26.

During 2011-12, the Commission continued its development of a system to reconcile the manual dental invoices with the monthly paid report (dental reconciliation process). It plans to use this reconciliation to help it ensure that it obtains support from its service provider for all dental payments made and that payments are made only to eligible teachers. The Commission indicated that it will continue to work with the service provider to address this issue.

## **3.2 Need Processes to Monitor Dental Agreement**

We recommended that the Teachers' Superannuation Commission implement adequate processes to establish and monitor its dental agreement with the insurance provider. (2010 Report – Volume 1; Public Accounts Committee agreement January 19, 2011)

**Status** – We continue to make this recommendation.

In 2011-12, the Commission did not implement additional processes to monitor the insurance provider's compliance with the agreement. As reported in our 2012 Report – Volume 1, the Commission plans to update its agreement with the service provider and develop written guidance to formally monitor the service provider's compliance with the



agreement after the dental reconciliation process described in Section 3.1 is established.

### 3.3 Need Guidance for Preparing Dental Plan Financial Reports

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We recommended the Teachers' Superannuation Commission establish complete and written guidance for preparing interim and year-end financial reports. (2008 Report – Volume 1; Public Accounts Committee agreement June 17, 2008)

**Status** – We continue to make this recommendation.

As previously reported in our 2012 Report – Volume 1, the Commission plans to complete its written guidance for preparing interim and year-end financial reports once it has finalized the dental reconciliation process described in Section 3.1.

### 3.4 Need Dental Plan Financial Statements

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We recommended that the Teachers' Superannuation Commission's annual report include the financial statements of each benefit plan the Commission administers. (2008 Report – Volume 1; Public Accounts Committee agreement June 17, 2008)

**Status** – We continue to make this recommendation.

Management intends to prepare the Dental Plan financial statements and include them in the Commission's Annual Report once they have developed and finalized the dental reconciliation process described in Section 3.1. Consistent with prior years, the Commission continued to provide summarized financial information about the Dental Plan's expenses in the Commission's annual report (available at [www.stsc.gov.sk.ca](http://www.stsc.gov.sk.ca)).