

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, 2013.

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 its 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 dependents with coverage for certain dental services. The Commission uses an insurance company (service provider) to help administer the Plan.

The Ministry of Education (through the General Revenue Fund) pays for all of the dental services provided through the Plan. During 2012-13, the Commission used \$11 million received from the Ministry to pay for almost 50,000 dental claims and related administrative costs.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended June 30, 2013:

- › **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 issued 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.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 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 – Partially Implemented

The Commission has almost completed its development of a system to reconcile the details of claims made with the monthly claims paid report (dental reconciliation process). However, management has advised us that it has not completed doing so because of other priorities and staff vacancies. The Commission plans to use the reconciliation to help ensure that it can match the details of claims to payments made and that payments are made only to eligible teachers for eligible services.

4.2 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 – Partially Implemented

In 2012-13, the Commission did not implement additional processes to monitor the insurance provider's compliance with the agreement. As reported in our *2012 Report – Volume 2*, 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 4.1** is established.

4.3 Need Guidance for Preparing Dental Plan Financial Reports

We recommended that 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 – Partially Implemented

As reported in our *2012 Report – Volume 2*, the Commission plans to complete its written guidance for preparing interim and year-end financial reports by the Dental Plan once it has finalized the dental reconciliation process described in **Section 4.1**.

4.4 Need Dental Plan Financial Statements

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 – Partially Implemented as it relates to the Teachers' Dental Plan

As reported in our *2012 Report – Volume 2*, 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 4.1**. Consistent with prior years, the Commission continued to provide summarized financial information about the Dental Plan's expenses in the Commission's annual report.¹

¹ www.stsc.gov.sk.ca (17 October 2013).

