

## Chapter 27

### 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, 2014.

The Teachers' Superannuation Commission (Commission) had effective rules and procedures to safeguard the Plan's public resources except it needs to:

- › Have adequate support for dental payments
- › Establish guidance for preparing financial statements for the Plan and for inclusion in the Commission's annual report

During the year, the Commission implemented processes to monitor its dental agreement with the insurance provider.

Also, the Commission complied with authorities governing the Plan's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the lack of adequate support for dental payments.

#### 2.0 INTRODUCTION

The Teachers' Superannuation 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 2013-14, the Commission paid \$11 million for dental claims and related administrative costs.

#### 3.0 AUDIT CONCLUSIONS AND SCOPE

**In our opinion, for the year ended June 30, 2014:**

- › **The Teachers' Superannuation Commission had effective rules and procedures to safeguard the Plan's public resources except for the matters reported in this chapter**
- › **The Teachers' Superannuation Commission complied with the following authorities governing the Plan's activities related 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*  
*The Teachers' Superannuation and Disability Benefits Act*  
*The Financial Administration Act, 1993*  
Orders in Council issued pursuant to the above legislation

We used the control framework developed by the Canadian Institute of Chartered Accountants to make our judgments about the effectiveness of the Commission's controls over the Plan. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives. Because dental payments made to members are a significant audit area, we tested a sample of dental payments to verify the eligibility and accuracy of the claims and compliance with governing authorities.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

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

### 4.1 Reconciliation Process 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

At September 2014, the Commission had nearly completed its development of a system to reconcile the details of claims made with the monthly claims paid report (dental reconciliation process). The Commission indicated that completion of this development was delayed because of staff turnover. Once completed, the Commission plans to use the reconciliation to ensure that it can match the details of claims to payments made, and follow up differences to ensure that payments are made only to eligible teachers for eligible services.

### 4.2 Processes to Monitor Dental Agreement Implemented

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** – Implemented

Effective January 2013, the Commission updated its dental agreement with its insurance provider. The revised agreement requires the insurance provider to give the Commission certain documentation and to communicate with it during resolution of disputes between the service provider and claimants (teachers).

During the year, the Commission monitored compliance with the dental agreement through its monthly review of reports received from its service provider, and its audit of dental claims. The Commission uses its monthly audits of claims to check the accuracy of claims the insurance provider processed. Each month, for a sample of dental claims, staff agree the details of the claim processed to supporting documents. This includes checking the eligibility and level of coverage of the claimant, proper completion of claims forms, and details on forms to related support.

### 4.3 Reporting Improvements Awaiting Completion of Reconciliation Process

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

We recommended that the Teachers' Superannuation Commission 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

Consistent with our previous report (*2013 Report – Volume 2*), after the Commission establishes the dental reconciliation process described in **Section 4.1**, it plans to:

- › Complete written guidance for preparing interim and year-end financial reports for the Dental Plan
- › Prepare the financial statements for the Dental Plan and include them in the Commission's annual report. Consistent with prior years, the Commission continued to provide summarized financial information about the Dental Plan

