

## Chapter 18

# Teachers' Superannuation Commission – Teachers' Dental Plan

### 1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Teachers' Dental Plan for the year ended June 30, 2018.

The Teachers' Superannuation Commission had effective rules and procedures to safeguard the Plan's public resources other than it needs to reconcile dental claims approved to dental claims paid, and to prepare financial statements for the Plan.

During the year, the Commission complied with authorities governing the Plan's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

### 2.0 INTRODUCTION

The Teachers' Superannuation Commission manages and administers the Teachers' Dental 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 covered through the Plan. During 2017-18, the Commission paid \$12.6 million (2016-17: \$12.5 million) for teacher dental claims and related administrative costs.

### 3.0 AUDIT CONCLUSIONS

**In our opinion, for the year ended June 30, 2018:**

- **The Teachers' Superannuation Commission had effective rules and procedures to safeguard the Plan's public resources except for the matters included 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:**

*The Teachers' Dental Plan Act*  
*The Teachers' Superannuation and Disability Benefit Act*  
*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above legislation

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance (CSAE 3001)* to conduct our audit. We used the control framework published



by CPA Canada to make our judgments about the effectiveness of the Commission's controls. 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 in Progress but Not Yet Complete

***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

During 2017-18, the Commission continued to work with its service provider to obtain financial data necessary to determine the extent of dental claims the service provider approved and paid to teachers. This financial data would help the Commission determine how much it owes for approved dental claims.

Its service provider processes about 57,000 dental claims each year on behalf of the Commission. The Commission reimburses the service provider for claims it has approved and paid.

In June 2017, the Commission approved a project charter for the development of a dental reconciliation system. The Commission intends to use this system to reconcile dental claims approved to dental claims paid. During 2017-18, the Commission continued to work on the development of the reconciliation system.

As of June 2018, the Commission had not completed the development of the system. Management indicated this was due to competing priorities for staff time and resource constraints. The Commission plans to implement this system in 2018-19.

Without reconciling dental claims approved to claims paid, the Commission has not verified what the Plan owes for approved dental claims. As a result, the Commission cannot prepare adequate interim financial reports and year-end financial statements—see **Section 4.2** for related recommendation.

## 4.2 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

The Dental Plan is the only one of its active benefit plans for which the Commission does not publish financial statements or prepare interim financial reports.<sup>1,2</sup> Also, at June 2018, the Commission managed the Plan on a cash basis because, as described in **Section 4.1**, it does not have sufficient financial data to manage it on accrual basis.

Management notes that 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 Plan.
- Prepare financial statements for the Plan and include them in the Commission's Annual Report. The Commission expects to be able to prepare financial statements starting in 2019-20.

Without adequate interim and year-end financial reports, the Commission does not have sufficient financial information to make informed decisions about the Plan.

<sup>1</sup> The Commission prepares financial statements for the Teachers' Superannuation Plan and the Teachers' Group Life Insurance Plan.

<sup>2</sup> Consistent with prior years, the Commission provides summarized financial information about the Plan in its Annual Report.

