

Chapter 17

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, 2019.

The Teachers' Superannuation Commission had effective rules and procedures to safeguard the Plan's public resources except it needs to establish complete and written guidance for preparing interim and year-end financial reports, and 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.

During 2018–19, the Commission established written dental reconciliation procedures and completed monthly reconciliations for all dental payments made in the year. By reconciling approved dental claims to claims paid, the Commission is able to verify what the Plan owes for approved dental claims.

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 dental services covered through the Plan. During 2018–19, the Commission paid \$13.2 million (2017–18: \$12.6 million) for teachers' dental claims and related administrative costs.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended June 30, 2019, we found, in all material respects:

- **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* (including CSAE 3001 and 3531) to conduct our audit. We used the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of the Commission's controls.

Because dental payments made to members are significant, 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

4.1 Dental Payments Reconciled

We recommended the Teachers' Superannuation Commission have adequate support for dental payments. (2009 Report – Volume 1, p. 57, Recommendation 2; Public Accounts Committee agreement September 1, 2009)

Status—Implemented

During 2018–19, the Commission established written dental reconciliation procedures and completed manual dental payment reconciliations for the 2018–19 fiscal year.

The Commission used financial data received from its service provider to determine the extent of dental claims the service provider approved and paid to teachers. This financial data helps the Commission determine how much it owes for approved dental claims.

Its service provider processes about 54,000 dental claims each year on behalf of the Commission. The Commission reimburses the service provider for claims it approved and paid.

As of June 2019, the Commission continued to develop a dental reconciliation IT system. The Commission plans to perform dental reconciliations manually until implementation of this IT system.

By reconciling dental claims approved to claims paid, the Commission can verify what the Plan owes for approved dental claims. Going forward, the Commission can use this information to enable the Commission to manage the Plan on an accrual basis and to prepare adequate interim financial reports and year-end financial statements—see **Section 4.2** for related recommendation.

4.2 Reporting Improvements Needed

We recommended the Teachers' Superannuation Commission establish complete and written guidance for preparing interim and year-end financial reports [for the Teachers' Dental Plan]. (2008 Report – Volume 1, p 46, Recommendation 6; Public Accounts Committee agreement June 17, 2008)

Status—Partially Implemented

We recommended the Teachers' Superannuation Commission annual report include the financial statements of the [Teachers' Dental] Plan the Commission administers. (2008 Report – Volume 1, p. 46, Recommendation 7; Public Accounts Committee agreement June 17, 2008)

Status—Partially Implemented

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.¹

As noted in **Section 4.1**, the Commission's new dental reconciliation process is a critical step to enable the Commission to manage the Teachers' Dental Plan on an accrual basis, including preparing financial reports and statements on an accrual basis.²

Management 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 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.

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

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

