

Chapter 4

Saskatchewan Water Corporation

1.0 MAIN POINTS

The Saskatchewan Water Corporation (SaskWater) complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. As well, SaskWater's financial statements are reliable.

SaskWater had effective rules and procedures to safeguard public resources except it needs to implement and test a business continuity plan.

This chapter also contains the status of two previous recommendations agreed to by the Standing Committee on Crown and Central Agencies.

2.0 INTRODUCTION

SaskWater operates under *The Saskatchewan Water Corporation Act* (Act). SaskWater's mandate is to construct, acquire, manage, or operate waterworks and provide services in accordance with the agreements it makes under the Act.

SaskWater's head office is located in Moose Jaw, Saskatchewan. It has approximately 113 employees in 15 operating locations. To deliver its services, SaskWater designs, builds, owns and operates transmission, regional, and stand-alone water supply and wastewater systems. SaskWater also provides certified operation and maintenance services to customer-owned systems and provides operator training to 41 Saskatchewan First Nations communities.

As of December 31, 2012, SaskWater provided services to 63 communities, 7 rural municipalities, 81 rural pipeline groups, 15 industrial companies, and approximately 236 commercial and end user customers. It owns eight water treatment plants, three wastewater facilities, 39 pump stations, and approximately 862 km of pipeline.¹

2.1 Financial Overview

At December 31, 2012, SaskWater held assets of \$186.5 million (2011 - \$179.3 million). For the year ended December 31, 2012, SaskWater had operating revenue of \$41.8 million (2011 - \$34.2 million) and had net income of \$3.2 million (2011 - \$3.5 million). Each year, SaskWater provides its annual report including its audited financial statements to the Legislative Assembly. The annual report can be found on its website.²

¹ www.saskwater.com (10 April 2013).

² Ibid.



3.0 AUDIT CONCLUSIONS AND SCOPE

Our Office worked with Deloitte LLP, the appointed auditor, to carry out the audit of SaskWater. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.³

In our opinion, for the year ended December 31, 2012:

- ▶ **SaskWater had effective rules and procedures to safeguard public resources except for the matter described in this chapter**
- ▶ **SaskWater complied with the following authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Saskatchewan Water Corporations Act
The Crown Corporations Act, 1993
The Crown Corporations Regulations, 1993
The Financial Administration Act, 1993
The Crown Employment Contracts Act
Orders in Council issued pursuant to the above legislation

- ▶ **SaskWater's financial statements are reliable**

We used the control framework developed by the Canadian Institute of Chartered Accountants (CICA) to make our judgments about the effectiveness of SaskWater'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.

This chapter provides the status of the recommendation we made in our *2012 Report – Volume 1*. In addition, it contains the status of two previous recommendations agreed to by the Standing Committee on Crown and Central Agencies.

4.0 KEY FINDING AND RECOMMENDATION

4.1 Business Continuity Plan Needed

We recommended that SaskWater implement and test a business continuity plan.
(2012 Report – Volume 1)

Status – Partially Implemented

SaskWater has initiated a project to implement this recommendation. In 2012, it completed a business impact analysis designed to identify and assess the threats and risks a disaster would have on its operations. SaskWater continues to work on developing its business continuity plan including a policy to support the plan's maintenance and testing.

³See our website at www.auditor.sk.ca.

5.0 EXHIBIT

5.1 Status of Previous Recommendations of the Standing Committee on Crown and Central Agencies

This exhibit provides an update on recommendations agreed to by the Standing Committee on Crown and Central Agencies (CCAC) that are not discussed earlier in this chapter.

CCAC Report Year	Outstanding Recommendation	Status
2006	The Committee concurs: 12.1 Saskatchewan Water Corporation should compile reliable information detailing the water treatment and transmission infrastructure it owns and the condition of that infrastructure.	Partially Implemented (as of December 31, 2010) We plan to follow this up in 2013.
2006	The Committee concurs: 12.2 Saskatchewan Water Corporation should develop and use a maintenance plan for its water treatment and transmission infrastructure.	Partially Implemented (as of December 31, 2010) We plan to follow this up in 2013.