

Chapter 26

Water Security Agency

1.0 MAIN POINTS

The Saskatchewan Watershed Authority became the Water Security Agency (Agency) effective October 2012.

This chapter reports the results of the annual audit of the Agency for the year ended March 31, 2013.

The Agency complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. As well, the Agency's 2013 financial statements are reliable.

The Agency had effective rules and procedures to safeguard public resources except it needs to implement and test its business continuity plan.

2.0 INTRODUCTION

The Agency is responsible for integrating all aspects of provincial water management to ensure water supplies support economic growth, quality of life, and environmental well-being. The Agency supports the protection of drinking water, flood and drought response, and management of water supplies, water quality, and aquatic habitat. It also owns and operates provincial dams and water supply channels.

At March 31, 2013, the Agency held assets of \$360.7 million, had annual revenue of \$43.1 million, and had a surplus for the year of \$2.9 million. Each year, the Agency gives its annual report including its audited financial statements to the Legislative Assembly.¹

3.0 AUDIT CONCLUSIONS

Our Office worked with Deloitte LLP, the appointed auditor, to carry out the audit of the Agency. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.²

In our opinion, for the year ended March 31, 2013:

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

¹ www.wsask.ca (22 October 2013).

² See our website at www.auditor.sk.ca.



The Saskatchewan Watershed Authority Act, 2005
The Saskatchewan Watershed Authority Regulations
The Drainage Control Regulations
The Water Power Act
The Water Power Rental Regulations
The Crown Employment Contracts Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

› The Agency had reliable financial statements

This chapter also provides an update on the status of previous recommendations agreed to by the Standing Committee on Public Accounts (PAC).

4.0 KEY FINDINGS AND RECOMMENDATION

In this section, we outline a key observation from our assessments and the resulting recommendation.

4.1 Business Continuity Plan Needs Testing

We recommended that the Water Security Agency (previously the Saskatchewan Watershed Authority) implement and test a business continuity plan. (2010 Report – Volume 2; Public Accounts Committee agreement January 20, 2011)

Status – Partially Implemented

During the year, the Agency began to take steps for the recovery and restoration of its key information technology (IT) systems that support its business critical services. However, at March 31, 2013, the Agency had not yet updated, approved, or tested its disaster recovery plan to ensure that the Agency's IT critical systems can be recovered in a timely manner.

The Agency plans to test its disaster recovery plan in 2013-14.

The Agency must carry out its mandate, even if a disaster disrupts its ability to deliver programs and services in the usual manner. Without a complete, documented, and tested business continuity plan, the Agency is at risk of not being able to deliver its programs and services in a timely manner.

5.0 EXHIBIT

5.1 Status of Previous Recommendations of the Standing Committee on Public Accounts

The following exhibit provides an update on recommendations agreed to by PAC that are not yet implemented and are not discussed earlier in this chapter.

PAC Report Year	Outstanding Recommendation	Status
Saskatchewan Watershed Authority (Dam Safety) (2005 Report – Volume 1)		
2005	3-2 that the Saskatchewan Watershed Authority should have up-to-date tested emergency preparedness plans for each of its major dams (i.e., Rafferty, Alameda, Qu'Appelle River, and Gardiner).	Partially Implemented (as of July 31, 2012) We plan to do a follow-up in 2014.
2005	3-3 that the Saskatchewan Watershed Authority should set processes that ensure its manuals always include complete procedures to operate, maintain, and monitor dam safety.	Partially Implemented (as of July 31, 2012) We plan to do a follow-up in 2014.

