

Chapter 4

Saskatchewan Water Corporation

1.0 MAIN POINTS

The Saskatchewan Water Corporation's (SaskWater) financial statements are reliable. It complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. SaskWater had effective rules and procedures to safeguard public resources except it needs to implement and test a business continuity plan.

2.0 INTRODUCTION

SaskWater operates under *The Saskatchewan Water Corporation Act* (Act). Its 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 117 employees in 15 provincial locations. To deliver its services, SaskWater designs, builds, owns and operates transmission, regional, and stand-alone water supply systems and wastewater systems. SaskWater also provides certified operation and maintenance services to customer-owned systems. In 2013, it provided operator training to 29 Saskatchewan First Nations communities.

As of December 31, 2013, SaskWater provided services to approximately 66,000 people in 63 communities, seven rural municipalities, 83 rural pipeline groups, 16 industrial and approximately 237 commercial and end user customers. It owns eight water treatment plants, three wastewater facilities, 39 pump stations, and approximately 876 kilometers of pipeline.¹

2.1 Financial Overview

At December 31, 2013, SaskWater held assets of \$223.9 million (2012 - \$186.4 million) and had long-term debt totalling \$38.7 million (2012 - \$38.7 million). For the year ended December 31, 2013, SaskWater had operating revenue of \$42.3 million (2012 - \$41.8 million) and had net income of \$3.5 million (2012 - \$3.0 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

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

¹ www.saskwater.com (20 March 2014).

² Ibid.

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



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

- › **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 related 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.

4.0 KEY FINDING AND RECOMMENDATION

4.1 Business Continuity Plan Needed

We recommended that Saskatchewan Water Corporation implement and test a business continuity plan. (2012 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement March 12, 2014)

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. In 2013, it drafted a plan and ran a mock disaster scenario to test the plan. It is currently refining the plan and intends to conduct another test simulation in 2014. In addition, in the event a disaster occurs, SaskWater has contracted with a disaster solution company to provide it with an emergency command centre, mobile office (as required), and IT and communication infrastructure.

SaskWater expects to have fully implemented this recommendation by December 31, 2014.