

## Chapter 28

### Water Security Agency

#### 1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Water Security Agency (Agency) for the year ended March 31, 2014.

The Agency complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. As well, the Agency's 2014 financial statements are reliable.

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

#### 2.0 INTRODUCTION

The Agency is mandated to integrate 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. The Agency also owns and operates provincial dams and water supply channels.

At March 31, 2014, the Agency held assets of \$403.8 million and had liabilities of \$28.2 million. During the year ended March 31, 2014, the Agency had annual revenue of \$89.8 million and had a surplus of \$37.8 million. Each year, the Agency gives its annual report, including its audited financial statements, to the Legislative Assembly. The annual report can be found at [www.wsask.ca](http://www.wsask.ca).

#### 3.0 AUDIT CONCLUSIONS AND SCOPE

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*.<sup>1</sup>

**In our opinion, for the year ended March 31, 2014:**

- › **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 related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Water Security Agency Act*  
*The Saskatchewan Watershed Authority Regulations*  
*The Drainage Control Regulations*

<sup>1</sup> See our website at [www.auditor.sk.ca](http://www.auditor.sk.ca).



*The Water Power Act*  
*The Water Power Rental Regulations*  
*The Crown Employment Contracts Act*  
*The Financial Administration Act, 1993*  
Order in Council issued pursuant to the above legislation

### › The Agency had reliable financial statements

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

## 4.0 KEY FINDING AND RECOMMENDATION

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

### 4.1 Complete Business Continuity Plan Needed

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

**Status** – Partially Implemented

The Agency must carry out its mandate, even if a disaster disrupts its ability to deliver programs and services in the usual manner. During the year, the Agency continued to take steps for the recovery and restoration of its key information technology (IT) systems (e.g., water measurement systems) that support its business critical services. Without a complete and tested business continuity plan, the Agency is at risk of not being able to deliver its business critical programs and services in a timely manner.