

Chapter 30

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, 2015.

The Agency's 2014-15 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. Other than the need for a complete and tested business continuity plan, the Agency had effective rules and procedures to safeguard public resources.

2.0 INTRODUCTION

The Agency is responsible for managing the water supply, protecting water quality and ensuring safe drinking water, managing dams and water supply channels, reducing flood and drought damage and providing information on water.¹ The Agency owns and operates provincial dams and water supply channels.

At March 31, 2015, the Agency held assets of \$430 million and had liabilities of \$43 million. During the year ended March 31, 2015, the Agency had annual revenue of \$59 million and had a surplus for the year of \$10 million. Each year, the Agency gives its annual report,² including its audited financial statements, to the Legislative Assembly.

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*.³

In our opinion, for the year ended March 31, 2015:

- › **The Agency's financial statements are reliable**
- › **The Agency had effective rules and procedures to safeguard public resources except for the lack of a complete and tested business continuity plan**
- › **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

¹ Water Security Agency, *2014-15 Annual Report*, p. 4.

² The Water Security Agency's annual report can be found at www.wsask.ca.

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



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

We used the control framework published by CPA Canada 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

4.1 Business Continuity Plan Not Complete

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 made limited progress on this recommendation in 2014-15. It continued to refine its business continuity plan, including its disaster recovery plan, for its critical information technology (IT) systems that support its business critical services (e.g., flood forecasting, water supply and dam management, drinking water regulation). However, by March 31, 2015, it did not have a complete and tested business continuity plan. Without a complete and tested plan, the Agency is at risk of not being able to deliver business critical services when needed.