

## Chapter 22

### Water Security Agency

#### 1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Water Security Agency for the year ended March 31, 2016.

The Agency's 2015-16 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.<sup>1</sup> The Agency owns and operates provincial dams and water supply channels.

At March 31, 2016, the Agency held assets of \$439.5 million and had liabilities of \$56.1 million. In 2015-16, the Agency had annual revenue of \$41.5 million and had a deficit for the year of \$3.0 million. Each year, the Agency gives its annual report,<sup>2</sup> including its audited financial statements, to the Legislative Assembly.

#### 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>3</sup>

**In our opinion, for the year ended March 31, 2016:**

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

<sup>1</sup> Water Security Agency, *2015-16 Annual Report*, p. 4.

<sup>2</sup> The annual report of the Water Security Agency can be found at [www.wsask.ca](http://www.wsask.ca).

<sup>3</sup> See our website at [www.auditor.sk.ca](http://www.auditor.sk.ca).



- › **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*  
*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

## 4.0 KEY FINDING AND RECOMMENDATION

In this section, we outline key observations from our assessments and the resulting 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 2015-16. It continued to refine its business continuity plan, including its disaster recovery plan for its critical IT systems that support its business critical services (e.g., flood forecasting, water supply and dam management, drinking water regulation). However, by March 31, 2016, it did not have a complete and tested business continuity plan. Without a complete and tested plan, the Agency is at risk of critical IT systems and data not being available to deliver business-critical services when needed.