

## Chapter 15

# Saskatchewan Water Corporation

### 1.0 MAIN POINTS

The Saskatchewan Water Corporation had, at March 2017, effective rules and procedures to safeguard public resources except it did not have a completed and tested business continuity plan. SaskWater's 2016-17 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.

### 2.0 INTRODUCTION

Under *The Saskatchewan Water Corporation Act (Act)*, SaskWater is to construct, acquire, manage, or operate waterworks and provide services in accordance with the agreements it makes under the Act.

To deliver its services, SaskWater designs, builds, owns, and operates transmission, and regional and stand-alone water supply and wastewater systems. As of March 31, 2017, SaskWater provided services to about 80,000 people in 62 communities, 8 rural municipalities, 83 rural pipeline groups, and 16 industrial and approximately 242 commercial and end-user customers. It owns 9 water treatment plants, 3 wastewater facilities, 42 booster and pump stations, and approximately 935 kilometres of pipeline.<sup>1</sup>

SaskWater also provides certified operation and maintenance services to customer-owned systems. In 2016-17, it provided operator training to 29 Saskatchewan First Nations communities.<sup>2</sup>

### 2.1 Financial Overview

At March 31, 2017, SaskWater held assets of \$338.1 million and had long-term debt of \$51.4 million. For the year ended March 31, 2017, SaskWater had operating revenue of \$53.0 million, including water sales and treatment revenue of \$40.4 million, and had net income of \$6.3 million.<sup>3</sup>

### 3.0 AUDIT CONCLUSIONS

Our Office worked with Deloitte LLP, the appointed auditor, to carry out the annual audit of SaskWater. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.<sup>4</sup>

<sup>1</sup> *SaskWater 2016-17 Annual Report*, p. 1.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*, pp. 66-67.

<sup>4</sup> See our website at [www.auditor.sk.ca](http://www.auditor.sk.ca).



**In our opinion, for the year ended March 31, 2017:**

- **SaskWater had effective rules and procedures to safeguard public resources except for the need for a complete and tested business continuity plan**
- **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 Corporation Act*  
*The Crown Corporations Act, 1993*  
*The Financial Administration Act, 1993*  
*The Crown Corporations Regulations, 1993*  
*The Executive Government Administration Act*  
*The Crown Employment Contracts Act*  
Orders in Council issued pursuant to the above legislation

- **SaskWater had reliable financial statements**

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance* to conduct our audits. We used the control framework published by CPA Canada to make our judgments about the effectiveness of SaskWater’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 FINDINGS 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

In 2016-17, SaskWater made limited progress on implementing this recommendation because it focused on putting its own IT systems (i.e., Water Measurement System, AccPac accounting software, Human Resource Management System) into place instead of using those of the Water Security Agency as it had in the past.

By March 31, 2017, it did not have a complete and tested business continuity plan. Without a complete and tested plan, SaskWater is at risk of its IT systems and data not being available to deliver business-critical services when needed.