

Chapter 19

Water Security Agency

1.0 MAIN POINTS

Other than the need for a complete and tested business continuity plan, the Water Security Agency had effective rules and procedures to safeguard public resources as at March 31, 2018. The Agency's 2017-18 financial statements are reliable; it complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Without a complete and tested business continuity plan, the Agency may not be able to effectively monitor water quality or water levels throughout the province if its IT systems and data are unavailable.

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

At March 31, 2018, the Agency held financial assets (e.g., cash, amounts owed) of \$80.9 million, tangible capital assets of \$381.7 million, and had liabilities of \$45.9 million. In 2017-18, the Agency had an annual surplus of \$2.8 million; comprised of revenue of \$45.5 million and expenses of \$42.7 million.²

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, 2018:

- **The Agency had effective rules and procedures to safeguard public resources except for the need for 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 Water Security Agency Regulations
The Water Power Act
The Water Power Regulations

¹ Water Security Agency, *2017-18 Annual Plan*, p. 3.

² The Water Security Agency's *2017-18 Annual Report* can be found at www.wsask.ca/About-WSA/Publications/Water-Security-Agency-Annual-Reports/ (27 August 2018).

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



The Crown Employment Contracts Act
The Executive Government Administration Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

➤ **The Agency had reliable financial statements**

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001) to conduct our audits. 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

In 2017-18, the Agency made limited progress on implementing this recommendation.

The Agency uses IT systems to monitor water quality and inspection data, provide real-time information on water levels throughout the province, manage financial information, and track key information about its capital assets (e.g., asset condition, inspection results, maintenance).

By March 31, 2018, the Agency continued not to have a complete and tested business continuity plan. Without a complete and tested plan, it is at risk of IT systems and data not being available.