

## Chapter 13

### 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, 2021.

The Agency's 2020–21 financial statements are reliable and it complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

#### 2.0 INTRODUCTION

The Water Security Agency is responsible for managing the province's water supply, protecting water quality, ensuring safe drinking water, managing dams and water supply channels, reducing flood and drought damage, and providing information on water. The Agency works to integrate all aspects of provincial water management to ensure water supplies support economic growth, quality of life, and environmental well-being.<sup>1</sup>

At March 31, 2021, the Agency held financial assets (e.g., cash, amounts owed from others) of \$91.5 million, tangible capital assets of \$408.8 million, and liabilities of \$30.2 million.

In 2020–21, the Agency generated an annual operating surplus of \$11.6 million comprised of revenue of \$62.7 million and expenses of \$51.1 million.<sup>2</sup>

#### 3.0 AUDIT CONCLUSIONS

Our Office worked with MNP 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, 2021:**

- **The Water Security 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 Annual Report for 2020–21*, p. 2.

<sup>2</sup> Find the Water Security Agency's 2020–21 Annual Report at [www.wsask.ca/About-WSA/Publications/Water-Security-Agency-Annual-Reports/](http://www.wsask.ca/About-WSA/Publications/Water-Security-Agency-Annual-Reports/).

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



- **The Water Security 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 Regulations*  
*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 Water Security Agency had reliable financial statements**

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audit. We used the control framework included in COSO's *Internal Control—Integrated Framework* 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.

The audit of the Agency included assessing revenue from contracts, confirming outstanding debt, testing capital assets, and agreeing payroll and other payments to support.

## 4.0 KEY FINDING AND RECOMMENDATION

### 4.1 Business Continuity Plan Not Complete

***We recommended the Water Security Agency implement and test a business continuity plan.*** (2010 Report – Volume 2, p. 296, Recommendation 1; Public Accounts Committee agreement January 20, 2011)

**Status**—Partially Implemented

In 2020–21, the Agency made limited progress on completing and testing a business continuity plan (particularly its IT disaster recovery plan).

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).

An IT disaster recovery plan is part of a business continuity plan. In 2020–21, the Agency drafted an IT disaster recovery plan, but had not finalized, approved, or tested it. Without a complete and tested plan, the Agency risks the lack of availability of its IT systems and data in the event of a disaster.