



Audit and Finance Committee

**Thursday, March 26, 2026
4:00 PM**

Henry Baker Hall, Main Floor, City Hall



OFFICE OF THE CITY CLERK

**Public Agenda
Audit and Finance Committee
Thursday, March 26, 2026**

Approval of Public Agenda

Adoption of Minutes

Minutes of the public meeting held on February 26, 2026.

Administration Reports

AFC26-3 Non-Standard Procurement Audit

Recommendation

That the Audit and Finance Committee receive and file this report.

Adjournment

AT REGINA, SASKATCHEWAN, THURSDAY, FEBRUARY 26, 2026

AT A MEETING OF AUDIT AND FINANCE COMMITTEE
HELD IN PUBLIC SESSION

AT 4:00 PM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present: Councillor George Tsiklis, in the Chair
Mayor Chad Bachynski
Councillor Clark Bezo
Councillor Jason Mancinelli (Remote)
Jamie Eng
Jim Fallows

Regrets: Rob Willman

Also in Attendance: Council Officer, Janice Hudson
Chief Financial Officer/Deputy City Manager, Daren Anderson
Director, Treasury, Charlene Callander

APPOINTMENT OF CHAIRPERSON AND VICE-CHAIRPERSON

The Secretary called the meeting to order and following nomination procedures for the position of Chairperson, Councillor George Tsiklis was declared Chairperson of the Audit and Finance Committee for 2026.

(Councillor George Tsiklis took the Chair.)

Following nomination procedures for the position of Vice-Chairperson, Councillor Jason Mancinelli was declared Vice-Chairperson of the Audit and Finance Committee for 2026.

APPROVAL OF PUBLIC AGENDA

Mayor Chad Bachynski moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved at the call of the Chair, with the following adjustment:

- **ADD item AFC26-2 *Banking Service Agreement* as Urgent Business**

Pursuant to Section 30 of The Procedure Bylaw, the vote on the approval of the meeting agenda with the addition to add Item AFC26-2 as urgent business was CARRIED UNANIMOUSLY.

ADOPTION OF MINUTES

Councillor Clark Bezo moved, AND IT WAS RESOLVED, that the revised minutes for the meeting held on November 27, 2025 be adopted.

ADMINISTRATION REPORTSAFC26-1 Debt Update Including Library Debt Options

Recommendation

The Audit and Finance Committee recommends City Council:

1. Request the Regina Public Library (RPL) continue to collect, invest, accumulate and request budget approval for a 5.5 per cent dedicated mill rate annually, until it has accumulated sufficient funds for the Central Library Renewal Project (CLRP) and/or debt limit room becomes available;
2. Remove Items CM25-19(A6)(3) and CM25-19(A6)(4) from the List of Outstanding Items; and
3. Approve these recommendations at its March 11, 2026 meeting.

Mayor Chad Bachynski moved, that the recommendations contained in the report be concurred in.

Mayor Chad Bachynski withdrew his motion of concurrence.

Mayor Chad Bachynski moved, that the Audit and Finance Committee recommend that City Council:

1. **Refer this matter back to Administration to report back to the Audit and Finance Committee at its March meeting with a scenario where the CHIF funding is granted, for City Council's consideration in Q2 2026; and**
2. **Approve this recommendation at its March 11, 2026 meeting.**

The motion was put and declared CARRIED.

RESULT:	CARRIED [Unanimous]
MOVER:	Mayor Chad Bachynski
IN FAVOUR:	Councillors: Bezo, Mancinelli, Tsiklis, and Mayor Bachynski; Jamie Eng and Jim Fallows

AFC26-2 Banking Service Agreement & Short-term Borrowing

Recommendation

The Audit and Finance Committee recommends that City Council:

1. Approve the following, subject to the necessary borrowing bylaw to be passed by City Council:
 - a) Approve new short-term borrowing by an increase of the City's line of credit from \$9 million to \$20 million and an increase of the City's corporate credit card program limit from \$1 million to \$1.5 million.
 - b) Authorize the Chief Financial Officer and Deputy City Manager (CFO), to engage and negotiate with BMO to obtain a line of credit of \$20 million and corporate credit card program limit of \$1.5 million plus any related interest or other costs of the debt for a term that extends until April 30, 2037.
 - c) Authorize the CFO to negotiate, approve and enter into all necessary agreements to facilitate the line of credit of \$20 million and credit card limit of \$1.5 million plus any related interest or other costs of the debt resulting in this borrowing and return to City Council for final approval of the debt and terms in the borrowing bylaw.
2. Instruct the City Solicitor to prepare a new borrowing bylaw or to amend the current *Short-Term Borrowing Bylaw*, Bylaw No. 2020-15, based on the terms and conditions negotiated by the CFO and return to City Council for approval; and
3. Approve these recommendations at its March 11, 2026 meeting.

Jamie Eng moved, that the recommendations contained in the report be concurred in.

Jamie Eng moved, AND IT WAS RESOLVED, that the Audit and Finance Committee move *in camera* to discuss confidential information pertaining to commercial rates and negotiations.

The Committee went *in camera* to discuss confidential information pertaining to commercial rates and negotiations.

The Committee resumed public session.

The Chairperson stated that the Committee received confidential commercial banking information and that no decisions were made.

The main motion was put and declared CARRIED.

RESULT:	CARRIED [Unanimous]
MOVER:	Jamie Eng
IN FAVOUR:	Councillors: Bezo, Mancinelli, Tsiklis, and Mayor Bachynski; Jamie Eng and Jim Fallows

ADJOURNMENT

Mayor Chad Bachynski moved, AND IT WAS RESOLVED, that the meeting adjourn.

The meeting adjourned at 5:09 p.m.

Chairperson

Secretary



Non-Standard Procurement Audit

Date	March 26, 2026
To	Audit and Finance Committee
From	Financial Strategy & Sustainability
Service Area	Financial Strategy & Sustainability
Item No.	AFC26-3

RECOMMENDATION

That the Audit and Finance Committee receive and file this report.

ISSUE

The Internal Audit Charter requires the City of Regina's (City) Internal Auditor to report the results of the Internal Audit activities to the Audit and Finance Committee.

This report provides the results of the Non-Standard Procurement Audit. The report includes Administration's response to the recommendations raised by the Internal Audit Department to improve the internal controls and strengthen compliance with procurement policies and procedures.

IMPACTS

Strategic Priority Impact

Audit reports support accountability in the stewardship of public funds and resources, strengthening internal controls and improving the effectiveness and efficiency of City operations and Governance processes. This report aligns with the Financial Perspective and Stewardship & Operations section of the Strategic Plan.

There are no financial, legal, policy, labour, environmental, Indigenous or Inclusion, Diversity, Equity & Accessibility (IDEA) impacts respecting this report.

OTHER OPTIONS

None with respect to this report.

COMMUNICATIONS & ENGAGEMENT

None with respect to this report.

DISCUSSION

As part of the City's 2025-2026 Annual Audit Plan, the Internal Audit department audited the non-standard procurement process. The audit assessed whether adequate reasoning and approvals were obtained for the City's non-standard procurement activities.

The audit primarily aimed to review compliance with the procurement policies and procedures around non-standard procurement methods between January 2024 to December 2024. When deemed necessary, the audit testing was expanded to include transactions in 2022 and 2023.

The various trade treaties that apply to the City only require public procurement where the value of the goods, equipment or services will exceed \$75,000. City Council, through its Purchasing Policy, defines the authority and requirements for the purchase of goods, equipment and services via non-standard procurement methods. In addition, City Council by policy promotes objectivity and fairness in dealing with vendors. As a result, situations in which the City conducts non-standard procurement are limited to cases where it can be proven there are limited vendors able to provide the required goods and services or the situations specifically permissible under trade agreements. Acceptable reasons for a non-standard procurement are further defined in the section 50 of Schedule D of *The Regina Administration Bylaw 2003-69* and Non-Standard Procurement Protocols in the Purchasing Procedures Manual.

The non-standard procurement method accounts for approximately 4 per cent (\$9.3 million) of the City's total procurement value of \$230.8 million. The Procurement branch under the Finance department manages all aspects of non-standard procurement, except for procurements exceeding \$75,000, which require approval from the City Manager or the Chief Financial Officer & Deputy City Manager.

The City uses its in-house file management system (ACQ) to record and track all solicitations, and the Oracle Enterprise Business Suite (EBS) for Purchase Orders (POs) and supporting documents. The City is currently in the process of integrating ACQ functionalities into EBS.

The Audit concluded that while policies and procedures governing non-standard procurement are

established and provide a sound framework, opportunities exist to enhance consistency in their application and to improve supporting documentation and oversight. Administration is well positioned to address these matters by enhancing transparency, formalizing documentation standards, strengthening approval and supervisory controls, and reinforcing training and governance practices.

While non-standard procurement represented a relatively small proportion of the City's total procurement value, the implementation of the recommendations outlined in this report would strengthen overall control design and address compliance gaps, thereby reducing the City's exposure to risks such as lack of transparency, failure to achieve value for money, reputational damage and regulatory non-compliance.

The results of the Non-Standard Procurement Audit are included as Non-Standard Procurement Audit Report (Appendix A) of this report.

DECISION HISTORY & AUTHORITY

In accordance with Table 1.1 section 3(2) of *The Committee Bylaw, Bylaw No. 2009-40*, The Audit and Finance Committee has delegated authority to review a report and it may receive it for information or send it on to City Council or Executive Committee in some cases with or without recommendations.

Respectfully submitted,



Dhinakar, Viswanathan
City Internal Auditor

Prepared by: Ahsan Siddiqui, Internal Audit Specialist

ATTACHMENTS

Appendix A - Non-Standard Procurement Audit Report

Appendix A

Non-Standard Procurement Audit

Executive Summary

1. Introduction and Background

As part of the City's 2025-2026 Annual Audit Plan, the Internal Audit department audited the non-standard procurement process. The audit assessed whether adequate reasoning and approvals were obtained for the City's non-standard procurement activities.

The standard procurement process requires publicly posting an invitation (open competition) for all vendors for procurements exceeding \$75,000. For procurements between \$7,501 and \$75,000, an invitational competition is conducted, whereby a limited number of vendors are invited to submit bids. A non-standard procurement refers to the acquisition of deliverables through a method other than the standard procurement route. For example, this may involve procuring directly from a specific vendor without conducting a competitive process in situations where an invitational or open competition would normally be required.

The Part IV of Schedule D of *The Regina Administration Bylaw 2003-69* defines the policy, authority and requirements for the purchase of goods, equipment and services via non-standard procurement methods while the Purchasing Procedures Manual govern its implementation and administration.

The various trade treaties that apply to the City only require public procurement where the value of the goods, equipment or services will exceed \$75,000. City Council by policy, promotes objectivity and fairness in dealing with vendors. As a result, situations in which the City conducts non-standard procurement are limited to cases where it can be proven there are limited vendors able to provide the required goods and services or the situations specifically permissible under trade agreements. Acceptable reasons for a non-standard procurement are further defined in the section 50 of Schedule D of *The Regina Administration Bylaw 2003-69* and Non Standard Procurement Protocols in the Purchasing Procedure Manual.

The following table presents statistical information on non-standard procurement as a proportion of total procurement value for the years 2022 through 2024.

Particulars	2024	2023	2022
Non-standard procurement value (\$ million)	9.3	16.6	7.4
Total procurement value (\$ million)	230.8	370.2	263.9
% of non-standard to total procurement	4.0%	4.5%	2.8%

The Procurement branch under the Finance department manages all aspects of non-standard procurement, except for procurements exceeding \$75,000, which require approval from the City Manager or the Chief Financial Officer & Deputy City Manager (CFO). The City uses its in-house file management system (ACQ) to record and track all

solicitations and the Oracle Enterprise Business Suite (EBS) for Purchase Orders (POs) and supporting documents. The City is currently in the process of integrating ACQ functionalities into EBS.

2. Audit Objective and Scope

The audit primarily aimed to review compliance with the procurement policies and procedures around non-standard procurement methods between January 2024 to December 2024. When deemed necessary, the audit testing was expanded to include transactions in 2022 and 2023.

The following were excluded from the scope of this audit:

- Procurements amounting to \$7,500 or less, classified as low value purchases or acquired through City purchasing cards.
- Procurements related to City's service partners.

3. Audit Methodology

To meet the objectives, we performed the following audit procedures:

- Reviewed Bylaw, Purchasing Procedures Manual, trade agreements and other policies related to non-standard procurement to ensure they are updated and aligned.
- Conducted interviews with City staff involved in non-standard procurement.
- Tested non-standard procurement contracts to ensure compliance with policies and procedures, adequate approvals, justification with supporting evidence, timely purchase initiation and advance consultation as well as review and signing of PO/agreement.

4. Audit Results

Internal Audit concluded that while policies and procedures governing non-standard procurement are established and provide a sound framework, opportunities exist to enhance consistency in their application and to improve supporting documentation and oversight. Administration is well positioned to address these matters by enhancing transparency, formalizing documentation standards, strengthening approval and supervisory controls, and reinforcing training and governance practices. Some of the opportunities for control improvement of the non-standard procurement process and the exceptions noted are as follows:

- **Transparency and policy application:** Notices of award for non-standard procurements were not published as required, and procurement procedures were inconsistently applied or outdated, indicating a need to enhance transparency by publishing award notices and updating procurement procedures to reflect current practices.
- **Insufficient justification and evidence:** Non-standard procurement approvals at times lacked adequate documentation and analysis to substantiate the rationale for bypassing competitive procurement, underscoring the requirement to strengthen documentation requirements to ensure all such procurements are supported by clear, evidence-based justification.
- **Limited use of Advanced Contract Award Notices (ACAN):** Contract Award Notices were not used in situations where competition was uncertain or supporting evidence was insufficient, emphasizing the need to assess the viability of publishing ACANs when adequate justification or documented evidence is unavailable to support a

non-standard procurement.

- **Procurement initiated prior to approval:** Goods or services were acquired prior to approval and purchase order issuance, exposing the City to contractual and financial risks and reinforcing the requirement for advance approval and consultation prior to engaging vendors.
- **Recurring non-standard procurements:** Repeated non-standard procurements for similar deliverables were approved without considering cumulative values, potentially bypassing required approval authority; accordingly, recurring non-standard procurements should be monitored and cumulative contract values assessed to ensure appropriate approval and value for money.
- **Segregation of duties and purchase order approval:** Purchase orders were created and signed without documented supervisory review or a formal delegation of authority; strengthening segregation of duties through mandatory supervisory review of purchase orders and formal documentation of delegated authority would enhance control oversight and accountability.
- **Conflict of interest controls:** City employees are not currently required to complete conflict of interest declarations specific to non-standard procurement contracts; introducing mandatory declarations for employees involved in non-standard procurement would strengthen ethical oversight and reduce the risk of actual or perceived bias in vendor selection.

While non-standard procurement represented a relatively small proportion of the City's total procurement value, the implementation of the recommendations outlined in this report would strengthen overall control design and address compliance gaps, thereby reducing the City's exposure to risks such as lack of transparency, failure to achieve value for money, reputational damage and regulatory non-compliance.

Administration has accepted all of the recommendations and has already begun correcting and/or implementing controls that address many of the audit recommendations as noted in their Management responses. Internal Audit will follow up and report on the status of these action plans. The "Observations and Recommendations" section of this report provides additional information about each finding and proposed action plans.

While this report details the results of the audit based on a limited sample size, the responsibility for ensuring compliance to procurement policies and procedures and mitigating risks related to non-standard procurement including fraud risks rests with management. Internal Audit wishes to thank the Finance department that participated in this audit and for their assistance and numerous courtesies extended during the completion of this audit.

Dhinakar Viswanathan
City Internal Auditor

Auditor: Ahsan Siddiqui
Internal Audit Specialist

Audit Report: 2026-01

Date: Feb 23, 2026

5. Observations and Recommendations

5.1 Transparency and Policy Application

Non-Standard Procurement Protocols (Section 7.9) of the Purchasing Procedures Manual require the City to publish a notice of award on SaskTenders within 72 days of awarding a contract. However, the City currently does not publish notices of award for non-standard procurement contracts.

According to the Purchasing Procedures Manual, “Invitational Competition means a competitive process in which an invitation to submit bids is issued to at least three vendors.” Furthermore, Schedule B – Procurement Plan for Invitational Competition states, “If fewer than three vendors will be invited, it is a non-standard procurement, and the Non-Standard Procurement Protocol must be followed.” Despite this requirement, there were instances where only two vendors were invited during an invitational competition, and the Non-Standard Procurement Protocol was not applied. We understand that the administration intends to revise this criterion to “at least two vendors;” however, this change had not been reflected in the Purchasing Procedures Manual at the time of this audit.

Inconsistent application of the purchasing procedures increases the risk that goods and services may not be procured at the most competitive price. Additionally, the lack of public disclosure of non-standard procurement awards reduces transparency in the procurement process.

Recommendations

- Publish notices of award for all non-standard procurements on the designated public platform in accordance with established transparency requirements.
- Revise the Purchasing Procedures Manual to accurately reflect the current criteria for invitational competitions, ensuring clarity and consistency in application.

Management Comments/Action Plan

We agree with the audit recommendation. Procurement will begin publishing notice of award for non-standard procurements on the designated public platform, like an open data set and is currently in the process of revising the Purchasing Procedures Manual to remove inconsistencies in practical application.

Commitment Date: Q3, 2026

5.2 Insufficient Justification and Limited Use of ACAN

As per section 7.3 of Non-Standard Procurement Protocol, “*Non-standard procurement may only be permitted if one or more of the reasons in the approval form apply to the Procurement. In addition, the completed approval form must be accompanied by sufficient evidence to support the selected reason(s).*”

Our review of non-standard approval forms identified the following commonly cited reasons for selecting the non-standard procurement method:

- Absence of competition for technical reasons.
- Procurement is for additional deliveries.
- The City has adopted a standard and there is only one vendor.

However, in some instances, the reasons documented in the non-standard approval forms lacked sufficient detail or supporting evidence to substantiate the justification provided.

- Explanation and supporting evidence to justify the economic and technical reasons why the initial purchase or additional deliveries could not be competitively procured, such as interchangeability of existing equipment or software, significant inconvenience, or substantial duplication of costs for the City, were not available.
- Details regarding the standard adopted pursuant to the Purchasing Policy and Procedures were not documented, and no supporting evidence was provided to substantiate that only one vendor was capable of delivering goods or services that met the adopted standard.

In accordance with the Purchasing Procedures Manual, when a department seeks approval for a non-standard procurement on the basis that only one vendor is able to provide the required deliverables, the department, with approval from the Procurement Branch, **may choose** to issue an Advanced Contract Award Notice (ACAN) to help confirm that competition is not available. An ACAN is intended to clearly outline the nature of the acquisition, the selected vendor, the estimated cost, and the rationale for not pursuing a competitive process, while providing sufficient time for any potential suppliers to respond. Where a valid challenge is received, it is expected to be appropriately considered, and an alternative procurement approach may be pursued if warranted.

However, we note that ACAN was not issued for any of the non-standard procurement that lacked adequate sufficient detail or supporting evidence to substantiate the justification provided for non-standard procurement.

Some of the explanations mentioned in the non-standard approval form for choosing the vendor include reliable service, reputation, or familiarity/compatibility as a reason. Although a vendor's knowledge of a project or existing processes can be advantageous to the City, these considerations may be viewed less favorably from a public perspective if other qualified vendors could reasonably provide the same goods or services. For reputational and value for money purposes, a competitive procurement process is generally more advantageous.

Recommendations

- Ensure all non-standard procurement approvals are supported by adequate justification and supporting evidence.
- Assess viability of issuing an ACAN for those instances where adequate reasoning or documented evidence is unavailable to support the non-standard procurement.
- Conduct formal training session to user departments detailing the information and evidence requirement to corroborate the reason provided for non-standard procurement.

Management Comments/Action Plan

We agree with the audit recommendation. Procurement has already begun to strengthen requirements for non-standard procurements by ensuring all cited reasons are supported with detailed justification and sufficient evidence. Formal training will be conducted for departments on the type of information and documentation needed. When only one vendor is believed to be capable of providing the required goods or services and evidence is limited, Procurement will consider issuing an ACAN to confirm whether competition exists.

Commitment Date: Q4, 2026

5.3 Procurement Activities Initiated Prior to Approval

As per section 7.5 of Purchasing Procedures Manual, *“The completed Approval Form must be approved and signed prior to acquiring any goods or services or engaging in any contract negotiations with a vendor.”*

During the audit, 12 instances of non-standard procurement were identified where invoice dates preceded the creation of the related purchase orders, indicating that procurement activities had been initiated with vendors prior to formal approval. In four of these instances, the invoices further indicated that the goods or services had already been delivered. Additionally, three of the 12 instances lacked sufficient supporting documentation to substantiate the justification for selecting a non-standard procurement approach. The Purchasing Branch confirmed that these procurements occurred without advance consultation.

A purchase order signed by both parties constitutes a formal contract, establishing the agreed scope of work, quality expectations, and allocation of liabilities. Procuring goods or services prior to purchase order creation or approval exposes the City to increased risks, including potential injuries, damages, or other liabilities, and limits the City’s ability to enforce warranties or require remedial action in the absence of a formally executed agreement.

Recommendation

- Reinforce to all City departments that non-standard procurement approval forms must be approved and signed prior to acquiring any goods or services or entering into any contract negotiations with a vendor.

Management Comments/Action Plan

We agree with the audit recommendation. The Corporate Controller will reinforce to all departments via communication that non-standard procurement approval forms must be completed and approved before any goods or services are acquired or before entering contract negotiations with vendors. Procurement will subsequently support this practice.

Commitment Date: Q2, 2026

5.4 Recurring Non-Standard Procurements

As per section 1.4 of the purchasing protocols under Purchasing Procedures Manual, *“If multiple contracts are entered into for the same deliverables, the procurement value is the total value of all of the contracts for the same deliverables entered on an annual basis.”*

The procurement value is critical to ascertain the authority level from which approval is required for non-standard procurement.

However, our data analytics of recurring non-standard procurements from 2022 to 2024 noted four instances where the Purchasing Manager had approved non-standard procurement based on their individual values, wherein their cumulative procurement value would have necessitated approval from CFO. Further, we noted other repetitive non-standard procurement for same/similar purchases from the same suppliers by the same departments. Some of these procurements lacked sufficient detail or supporting evidence to substantiate the justification provided.

For standard procurement contracts, there are specific guidelines requiring departments to specifically state if the deliverables will be required on a frequent or regularly recurring basis and to consult with procurement for the possibility of entering into a competitive procurement, if that is the case. However, these instructions or guidelines are not available on the approval forms for non-standard procurement.

Repeatedly using the same vendor for same/similar purchases through non-standard procurement contracts increases the risk of favoritism, approval by an authority lower than what is defined as per procedure manual and reduces value for money.

Recommendations

- Develop and implement specific guidelines requiring departments to specifically state if the deliverables from a non-standard procurement will be required on a frequent or regularly recurring basis and to consult with Procurement for the possibility of entering a competitive procurement or confirm/solidify the justification by better evidencing such as issuing an ACAN.
- Track and monitor repetitive identical non-standard procurements from the same vendor ensuring appropriate approvals and purchases continue to be made at competitive prices ensuring transparency and value of money.

Management Comments/Action Plan

We agree with the audit recommendation. Procurement will develop and communicate guidelines requiring departments to indicate whether deliverables acquired through a non-standard procurement are recurring and to consult Procurement on whether a competitive process or additional justification is warranted. Procurement will also monitor repetitive non-standard procurements across departments to identify trends and address noncompliance and look for opportunities for competitive processes. This will also be incorporated into training for the organization.

Commitment Date: Q3, 2026

5.5 Segregation of Duties and Purchase Order Approval

Segregation of duties is a widely accepted internal control and sound business practice. It involves the separation of key duties and responsibilities among different individuals to reduce the risk of error, fraud, or loss, and to ensure that no single individual can compromise the accuracy and integrity of a process.

However, our analytical review of non-standard purchase orders (POs) identified that purchasing agents are able to create POs in Oracle without secondary validation or independent review to confirm their accuracy or to ensure that they are supported by adequate documentation evidencing approval by the appropriate authority. Our audit identified two instances where inaccurate PO values were entered into Oracle, including one instance that remained uncorrected at the time of the audit. In addition, we noted instances where required supporting documentation, such as signed PO/agreements and non-standard approval forms or memoranda, were not available. The absence of supervisory review over purchase orders created in Oracle increases the risk that inaccurate purchase order amounts or purchase orders lacking adequate supporting documentation may not be identified in a timely manner.

Furthermore, all purchase orders are currently being signed by the Purchasing Agent, regardless of authorization limits. There was no formal, written Delegation of Authority (DoA) document evidencing the delegation of approval authority from the Purchasing Manager to the Purchasing Agent. In the absence of a formal DoA, there is an increased risk that purchasing agents may approve or commit the City to transactions or obligations for which they are not authorized, and which may not be in the City's best interests.

Recommendations

- Ensure that all POs created in Oracle, including any subsequent amendments or extensions, are subject to appropriate supervisory review and approval and are supported by adequate documentation.
- Formally establish and document a DoA framework for the signing of POs below the Manager level, clearly defining authority limits in accordance with personnel grades and roles.

Management Comments/Action Plan

We agree with the audit recommendation. Procurement will implement supervisory review and approval for all non-standard purchase orders created in Oracle, including amendments. Procurement will also formalize and document a DoA framework for PO signing below the Manager level which will also be included in the organization's DoA Matrix.

Commitment Date: Q2, 2026

5.6 Conflict of Interest Controls

A City employee who initiates or approves a non-standard procurement may be in a conflict of interest if their actions or relationships compromise the City's ability to obtain impartial services, confer an unfair advantage on a vendor, or result in unethical practices such as kickbacks.

For standard procurement contracts, City employees who participate in the evaluation of vendor bids are required to sign a declaration confirming that they have no conflicts of interest related to the procurement process and that they will maintain the confidentiality of bid and evaluation information.

However, for non-standard procurement contracts, City employees are not currently required to complete a conflict of interest declaration. As part of the onboarding process, new employees are required to complete Code of Conduct training, which includes conflict of interest principles, and to sign a Code of Conduct declaration form. Despite this, there is no requirement for employees to reaffirm their compliance or update disclosures on a recurring basis (e.g., annually).

Requiring employees to complete a conflict of interest declaration when seeking approval for a non-standard procurement, or through an established annual process, would promote ethical conduct and reduce the risk or appearance of biased vendor selection or favoritism.

Recommendation

- Develop and implement formal requirements for employees to complete conflict of interest declarations for all non-standard procurement contracts.

Management Comments/Action Plan

We agree with the audit recommendation. Procurement will introduce a requirement for employees initiating or approving non-standard procurements to complete a conflict of interest declaration and/or modify existing templates to incorporate a conflict interest declaration.

Commitment Date: Q4, 2026