



Audit and Finance Committee

**Thursday, June 25, 2026
4:00 PM**

Henry Baker Hall, Main Floor, City Hall



OFFICE OF THE CITY CLERK

**Public Agenda
Audit and Finance Committee
Thursday, June 25, 2026**

Approval of Public Agenda

Adoption of Minutes

Audit and Finance Committee - Public - May 28, 2026 4:00 PM

Administration Reports

AFC26-16 Cash Controls Audit - Parking & Transit

Recommendation

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

AFC26-17 Whistleblower Program Annual Report

Recommendation

The Audit and Finance Committee recommends that City Council receive and file this report at its July 29, 2026 meeting.

Adjournment

AT REGINA, SASKATCHEWAN, THURSDAY, MAY 28, 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
Jamie Eng
Jim Fallows

Regrets: Councillor Jason Mancinelli

Also in Attendance: Acting City Manager, Jim Nicol
Acting Deputy City Clerk, Martha Neovard
Acting CFO & Deputy City Manager, Jeff May
Corporate Controller, Kim Krywulak
Manager, Financial Analysis & Support, Sheena Carrick
Internal Auditor, Dhinakar Viswanathan
External Auditor, MNP, Connor Bloom
External Auditor, MNP, Clayton Veresh

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.

ADOPTION OF MINUTES

Jim Fallows moved, AND IT WAS RESOLVED, that the minutes for the meeting held on April 23, 2026, be adopted, as circulated.

ADMINISTRATION REPORTS

AFC26-11 2025 City of Regina Annual Reports & Public Accounts

Recommendation

The Audit and Finance Committee recommends that City Council:

1. Approve the 2025 Annual Report Draft (Appendix A), including the audited City of Regina's (City) Consolidated Financial Statements for the year ending December 31, 2025;

2. Approve the 2025 Public Accounts Draft (Appendix B); and
3. Approve this recommendation at its June 10, 2026, meeting.

Councillor Clark Bezo moved that the recommendations contained in the report be concurred in.

The motion was put and declared CARRIED.

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

AFC26-12 2025 Annual Investment Report

Recommendation

The Audit and Finance Committee recommends that City Council receive and file this report at its June 10, 2026, meeting.

Councillor Clark Bezo moved that the recommendation contained in the report be concurred in.

The motion was put and declared CARRIED.

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

AFC26-13 2026 First Quarter General & Utility Operating Forecast

Recommendation

The Audit and Finance Committee recommends that City Council:

1. Approve the transfer of \$40 thousand from the General Fund Reserve (GFR) to the Capital Budget for Capital Project - Election Management Software Solution due to an error in recording the revenue received in a prior period to the Operating Budget;
2. Approve the transfer of approximately \$80 thousand from the General Fund Reserve (GFR) to the City Centre Incentive Reserve to fund prior year grants that were not fully expended; and
3. Approve this recommendation at its June 10, 2026, meeting.

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

The motion was put and declared CARRIED.

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

AFC26-14 2026 First Quarter General & Utility Capital Forecast

Recommendation

The Audit and Finance Committee recommends that City Council receive and file this report at its June 10, 2026, meeting.

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

The motion was put and declared CARRIED.

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

AFC26-15 Fuel Inventory Audit Report

Recommendation

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

Jim Fallows moved that this report be received and filed.

The motion was put and declared CARRIED.

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

ADJOURNMENT

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

The meeting adjourned at 4:40 p.m.

Chairperson

Secretary



Cash Controls Audit - Parking & Transit

Date	June 25, 2026
To	Audit and Finance Committee
From	Financial Strategy & Sustainability
Service Area	Financial Strategy & Sustainability
Item No.	AFC26-16

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 Cash Controls Audit of Parking Services and Transit Operations. The report includes Administration's response to the recommendations raised by the Internal Audit Department to improve internal controls and strengthen compliance with the 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 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 Audit Plan, the Internal Audit Department conducted a Cash Controls Audit of Parking Services and Transit Operations. The audit was undertaken recognizing the inherent risks associated with cash handling activities, which are susceptible to theft and misappropriation and are therefore considered a high-risk area.

The audit concluded that internal controls are in place and the design of controls over cash handling within Parking Services and Transit Operations is adequate to reduce the risk of significant exposure of City funds. In March 2026, Parking Services transitioned on-street parking meters from cash payments to PayByPhone, which further reduced residual cash handling risk. The audit identified the following opportunities to further strengthen controls within Parking Services and Transit Operations:

Parking Services

Manually issued parking fine tickets from private ticket issuers should be tracked and reconciled periodically to confirm all tickets are recorded in Ticket Tracer (parking enforcement transactions processing system), reducing the risk of unrecorded tickets and potential revenue loss. Parking fine tickets updated in Ticket Tracer to give effect to court rulings must be subject to supervisory review, to mitigate the risk that valid tickets may be withdrawn or dismissed in error due to clerical mistakes.

Transit Operations

Enhancing segregation of duties and enforcing dual-control access would improve oversight of voided transactions and safeguard access to cash safes. Introducing regular surprise cash counts prior to transferring funds to the third-party cash handling provider, along with timely reconciliation and investigation of any variances, would reinforce accountability. Transitioning

transit fare revenue accounting from cash basis to an accrual basis will ensure compliance with Public Sector Accounting Standards, while implementing fare eligibility controls in the UMO app (new Transit fare system) for discounted youth passes will help protect revenue and support fairness and program integrity.

We anticipate that the implementation of our recommendations will improve the overall control environment and reduce the risks associated with the cash handling process. The detailed results of the Cash Controls Audit for Parking Services and Transit Operations are included in Appendix A and Appendix B 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,

A handwritten signature in black ink, appearing to read 'Dhinakar', with a large checkmark to its left.

Dhinakar, Viswanathan
City Internal Auditor

Prepared by: Ivo Fotabong, Internal Audit Specialist
Adeel Akhtar, Internal Audit Specialist

ATTACHMENTS

Appendix A - Cash Controls Audit - Parking Services
Appendix B - Cash Controls Audit - Transit Operations

Appendix A

Cash Controls Audit – Parking Services

Executive Summary

1. Background and Scope

As part of the City of Regina's (City) 2025 - 2026 Annual Audit Plan, the Internal Audit department conducted a Cash Control Audit of the City's Parking Services operations for the period from January 2024 to June 2025. This audit was undertaken in recognition of the inherent risks associated with cash handling activities, which are susceptible to misappropriation.

The Parking Services department is responsible for planning, administering and managing the City's parking infrastructure. Parking Services generates revenue based on the parking fees and fines established under the Regina Traffic Bylaw. During the audit period, metered parking rates were \$1 per 15 minutes in loading zones and \$2 an hour at all other meters. Parking fines range from \$50 to \$220, depending on the type of infraction.

From January 2024 to June 2025, Parking Services generated approximately \$5.6 million in revenue. Parking meters accounted for \$2.3 million of total revenue of which \$1.3 million was collected in cash, parking permits for \$228,940 and parking violation fines for \$3 million. Parking enforcement transactions are processed through system applications such as Command Center and Ticket Tracer, while Oracle EBS serves as the City's accounting system.

The scope included cash transactions related to parking meters, parking permits, and parking violation fines for the period January 2024 to June 2025. These transactions were tested on a sample basis. The audit scope excludes compliance with the Payment Card Industry (PCI) Data Security Standard, parking fine collection, recovery, penalties, appeals and refunds.

2. Audit Results

Internal Audit concluded that controls are in place and that the control design within Parking Services is adequate to reduce the risk of significant exposure of City funds. In March 2026, on-street parking meters transitioned from cash payments to PayByPhone, which further reduced residual cash handling risk. The audit identified the following opportunities to strengthen controls related to the recording and processing of parking fines in Ticket Tracer.

Manually issued parking fine tickets from private ticket issuers should be tracked and reconciled periodically to confirm all tickets are recorded in Ticket Tracer, reducing the risk of unrecorded tickets and potential revenue loss. Parking fine tickets updated in Ticket Tracer to give effect to court rulings must be subject to supervisory review, to mitigate the risk that valid tickets may be withdrawn or dismissed in error due to clerical mistakes.

Our primary goal in conducting a cash controls audit is to help the Administration strengthen internal controls and improve methods to prevent and detect fraud. We made recommendations to address the exceptions noted above to enhance process effectiveness, strengthen controls and improve accountability.

Administration has already begun correcting or implementing controls to address many of the audit recommendations, as noted in its management responses. Internal Audit will follow up and report on the status of these action plans. The observations and recommendations section provides additional information about each finding and proposed action plan.

While this report details the results of the audit based on a limited sample size, responsibility for maintaining an effective system of internal control and preventing and detecting irregularities and fraud rests with management. We anticipate that implementing our recommendations will improve the overall control environment and reduce the risks associated with the cash handling process. Internal Audit thanks the Community Standards and Financial Services departments that participated in this audit for their assistance and numerous courtesies extended during the completion of this audit.

Dhinakar Viswanathan
City Internal Auditor

Auditor: Ivo Fotabong
Internal Audit Specialist

Audit Report: 2026 - 05

Date: May 25, 2026

3. Observations and Recommendations

3.1 Manual Parking Fine Tickets

The City issues two types of parking fine tickets: tickets for violations on City property and tickets for violations on private property. Parking fine tickets for private-property violations are issued by authorized private ticket issuers (e.g., shopping malls, condominiums, and other private lot operators).

The City provides private ticket issuers with pre-numbered ticket booklets and obtains acknowledgement of receipt. The City also tracks the serial numbers assigned to the booklets distributed to authorized private ticket issuers. Each ticket includes two copies. When tickets are issued for parking infraction, one copy is placed on the vehicle, and the second copy is submitted to the City for processing.

Our review of manually issued private-property parking fine tickets noted that periodic reconciliations are not performed to confirm that all manually issued tickets received by the City have been entered into Ticket Tracer. Our review of Ticket Tracer parking tickets report, comprising 237 manually entered tickets, determined that 20 tickets (8 per cent) were not included. Management informed that the omitted tickets were not submitted by private issuers.

From January 2024 to June 2025, Parking Services generated about \$3 million in revenue from parking violation fines. Of this total, \$48,585 (2 per cent) was collected from private ticket issuers.

If manually issued private-property parking fine tickets are not reconciled periodically, there is a risk that missing or unrecorded tickets will not be identified in a timely manner, which could result in revenue loss.

Recommendation

Implement a periodic reconciliation of pre-numbered private-issuer parking fine tickets by comparing ticket serial numbers issued/received and tickets entered in Ticket Tracer and investigate and resolve any discrepancies promptly.

Management Comments/Action Plan

Administration has accepted the recommendation to implement a process to reconcile private tickets received. The process will separate the receipt entry and the database entry to at least two different people.

Commitment Date: Q4, 2026

3.2 Unreviewed Ticket Updates

Parking fine tickets may be challenged in court by the recipient, with the City's Legal team, including prosecutors and legal assistants, representing the City during proceedings. Following the court hearing, decisions by the Justice of Peace and the prosecutor to dismiss or uphold the validity of parking fine tickets are manually updated in Ticket Tracer by the legal assistant. These updates can be processed in Ticket Tracer without supervisory review or approval. Our review of 35 transactions noted one exception wherein a decision to uphold a parking fine ticket was accidentally updated as dismissed.

Manual updates to parking fine tickets in Ticket Tracer that are not subject to supervisory review or approval, increases the risk that valid tickets may be withdrawn or dismissed in error due to clerical mistakes.

Recommendation

Implement procedures requiring all manual updates to parking fine ticket outcomes in Ticket Tracer be subject to supervisory review.

Management Comments/Action Plan

Administration is currently updating the Ticket Tracer software and have completed requirement gathering and started implementation. Administration will review if this change can be made through the current software upgrade however if the change is not possible Administration will re-evaluate once the software upgrade is complete to assess the cost of implementing this change.

Commitment Date: Q4, 2027

Appendix B

Cash Controls Audit – Transit Operations

Executive Summary

1. Introduction and Background

As part of the City of Regina's (City) 2025 - 2026 Annual Audit Plan, the Internal Audit Department conducted a Cash Controls Audit of Transit Operations. The audit was undertaken considering the inherent risk of a cash handling operation as it is susceptible to theft and misappropriation and is considered a high-risk area.

The City's Transit Department collects, handles, and safeguards fare revenues generated through onboard cash fares, debit/credit payments, over-the-counter sales at the Transit Information Centre, and revenues from external pass resellers. In 2024 (January to December), total fare revenue was \$7.5 million, including \$727,000 (10 per cent) from cash sales. In 2025 (January to December), total fare revenue was \$7.3 million, with \$756,000 (10 per cent) collected in cash.

Cash handling activities within Transit are overseen by the Manager of Integrated Transportation Services and the Manager of Transit Administration, which reports to the Director of Transit. The Finance Department is responsible for maintaining the Money Handling Policy and Corporate Money Handling Procedures, ensuring that these policy requirements remain current and are adhered to across all departments, including Transit.

Transit's fare streams include onboard cash fares collected through fareboxes, payments received through debit/credit cards, over-the-counter sales made at the Transit Information Centre (TIC) and revenues collected from external pass resellers. Fareboxes serve as the primary point of collection for onboard cash payments and the payments taken at TIC are processed through the Class system. The City's financial system, Oracle Enterprise Business Suite (EBS), is used to record transactions in the books of account.

2. Audit Objective and Scope

The primary audit objectives were to review the cash operations for transit services to gain an understanding of the cash handling processes and:

- Assess the effectiveness of the City's internal controls related to the cash handling processes.
- Determine existence and assess compliance with applicable policies and procedures.
- Provide management with recommendations to improve the effectiveness of internal controls in its cash handling operations.

The review scope included cash operations and transactions conducted between January 2024, and June 2025. These activities were examined using a judgmental sampling approach. The scope did not include procedures to assess the completeness of fare

collection or to determine whether all passengers remitted the required transit fares upon boarding.

3. Audit Methodology

To meet the objectives, we reviewed the physical security and cash handling procedures and practices for Transit Operations on a sample basis. The audit included the following tests:

- Reviewed written cash handling procedures.
- Observed physical safeguarding measures related to cash handling.
- Reviewed management reports to ensure accurate accounting.
- Performed cash counts to assess the existence and accuracy of cash records.
- Interviewed staff in connection with cash handling procedures.

4. Audit Results

The Internal Audit concluded internal controls existed and the design of controls for cash handling at Transit operations is adequate to ensure City funds are not exposed to significant risks. The audit identified opportunities to further strengthen Transit's cash handling framework by formalizing and approving key practices in alignment with the Money Handling Policy and Corporate Money Handling Procedures.

Enhancing segregation of duties and enforcing dual-control access would improve oversight of voided transactions and safeguard access to cash safes. Introducing regular surprise cash counts prior to transferring funds to the third-party cash handling provider, along with timely reconciliation and investigation of any variances, would reinforce accountability. Transitioning deferred revenue accounting to an accrual basis will ensure compliance with Public Sector Accounting Standards, while implementing fare eligibility controls in the UMO app (new Transit fare system) for discounted youth passes will help protect revenue and support fairness and program integrity.

Our primary goal in conducting a cash controls audit is to aid Administration in strengthening internal controls and to improve methods of prevention and detection of fraud. Administration 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, management remains responsible for maintaining an effective system of internal control and for the prevention and detection of errors, irregularities, and fraud. We anticipate that the implementation of our recommendations will improve the overall control environment and reduce the risks associated with the cash handling process. Internal Audit wishes to thank the Transit Department and Financial Services departments that participated in this audit

and for their assistance and numerous courtesies extended during the completion of this audit.

Dhinakar Viswanathan
City Internal Auditor

Audit Report: 2026-04

Date: May 25, 2026

5. Observations and Recommendations

5.1 Policies & Procedures

The Money Handling Policy (Section 4.1) requires all money-handling locations to develop and document operating procedures that meet or exceed the policy's minimum standards and align with Corporate Money Handling Procedures. Our review noted that the following transit cash-handling procedures have not been documented or formally approved.

- Authorization for access to the cashier's room, including defined roles and documented access-restriction measures.
- Cash safe access procedures, including authorized personnel for access codes, defined events or timeframes requiring code changes, maintenance of access logs, and assignment of responsibility for log review.
- Surprise cash count procedures, specifying responsible personnel, required frequency, and documentation and review of results.
- Secure removal, handling, and deposit of farebox revenues, including procedures for identifying, repairing, and replacing fareboxes when required.
- Customer refund criteria and processes, including documentation standards, approval requirements, and controls to prevent misuse.
- Supervisory review and approval of cash shortages and overages, including documentation and escalation requirements.

When there are no complete or updated written procedures to refer to, the employee carrying out the process relies on personal understanding and experience, which could result in incorrect, incomplete, or inconsistent application.

Recommendations

Develop and implement comprehensive written procedures for all cash handling activities within Transit and ensure they align with the Money Handling Policy and Corporate Money Handling Procedures.

Management Comments/ Action Plan

Management acknowledges the findings and supports the recommendation to develop and implement comprehensive written procedures for all cash handling activities as outlined above. At the time the audit was introduced, updates to these procedures were already underway as a key project assigned to the new Integrated Transportation Services Coordinator hired in October 2025. While many controls are being applied in practice, management recognizes that the absence of finalized written procedures increases reliance on individual knowledge and could result in inconsistent application. The Branch is committed to completing, approving, and implementing comprehensive procedures aligned with the Money Handling Policy and Corporate Money Handling Procedures.

Commitment Date: Q1, 2027

5.2 Segregation of Duties

Segregation of duties entails dividing or segregating key duties and responsibilities among different people, which helps to reduce the risk of loss so that no single individual can adversely affect the accuracy and integrity of the process. Our review of cash handling practices within the Transit Department identified the following gaps in segregation of duties controls that require improvement.

- Clerks can cancel or void transactions without documented supervisory review, which allows the same staff who process payments to reverse transactions without oversight and increases the risk of inappropriate activity going undetected.
- Segregation of duties is not being applied to cash vault access, with one Revenue and Service Clerk counting and processing cash without a second person present. Additionally, while cameras are installed in the vault area, they are not actively monitored. Further, cash is not counted before being handed over to third-party cash handling provider, further reducing oversight and increasing the risk of misappropriation or undetected discrepancies.

Recommendations

Require the cash vault to be accessed only in the presence of a supervisor or other designated employee.

Implement a periodic surprise cash count at the transit center before handing cash bags over to third-party cash handling provider and reconcile the third-party cash handling provider's reported amounts to the internally counted totals and investigate difference.

Establish supervisory reviews of cash void/refund transactions, and ensure review is consistently documented.

Management Comments/Action Plan

Since the hiring of an additional Coordinator in October 2025, measures have been implemented, and will continue to be improved, to strengthen accountability for cash counts and transfers to our third-party cash handling provider. Updates to the cash counting procedure will include periodic audits of third-party money transfers, as well as mandatory supervisor presence during vault opening and cash counting. In addition, the Coordinator will collaborate with Finance to produce a report for review of voided and refunded transactions.

Commitment Date: Q1, 2027

5.3 Deferred Revenue

During the audit, it was identified that transit fare revenue is being accounted on a cash basis, instead of accounting them when transit services are delivered. This practice treatment does not align with Public Sector Accounting Standards (PSAS) requirements for revenue recognition.

During 2025, approximately \$574,000 derived from sale of multi-month transit passes such as 4 month passes and semiannual passes, was recorded when cash was received rather than when service was delivered.

Recommendation

Prepaid fare products should be recorded as deferred revenue at the time of sales, and revenue should be recognized only as transit services are delivered.

Management Comments/Action Plan

Management agrees with this recommendation. A deferred revenue approach will be implemented, recognizing revenue over the service period for multi-month passes. This change will be coordinated with Transit and implemented by the end of 2026.

Commitment Date: Q4, 2026

5.4 Transit Youth Passes

The City offers discounted transit fares to Youth compared to regular Adult fares. Youth passes are priced 32 per cent lower than regular passes, and Youth 10-ride packs are 15 per cent lower than regular 10-ride fares.

In October 2024, the City introduced the UMO fare system, which allows riders to self-select fare categories, including the Youth fare. The application does not require age-based eligibility verification at the point of purchase. As a result, Adult riders are able to select the Youth fare category and access discounted fares without validation, creating a control gap.

In 2025, total revenue collected from Youth fares amounted to \$1.6 million. Comparable Youth fare revenues were \$1 million in 2023 and \$1.1 million in 2024, collected.

The lack of eligibility verification increases the risk that ineligible Adult riders may intentionally or unintentionally purchase and use discounted Youth fare products. This exposes the City to potential revenue leakage and undermines the integrity of the fare structure.

Recommendation

Explore feasible age verification options to strengthen eligibility controls for discounted Youth passes in the UMO application.

Management Comments/Action Plan

Transit will explore feasible age verification options to strengthen eligibility controls for discounted Youth passes. In the interim, age eligibility criteria have been clearly incorporated into the online pass purchase process to ensure customers are informed of the intended use and qualifying requirements for Youth passes. Other transit authorities carry out the same non-age verification process as Regina. Noted that many comparable transit agencies currently rely on similar self-declaration approaches and do not consistently implement formal age verification controls. As such, Transit's current process is aligned with common industry practice.

Commitment Date: Q4, 2026



Whistleblower Program Annual Report

Date	June 25, 2026
To	Audit and Finance Committee
From	Financial Strategy & Sustainability
Service Area	Financial Strategy & Sustainability
Item No.	AFC26-17

RECOMMENDATION

The Audit and Finance Committee recommends that City Council receive and file this report at its July 29, 2026 meeting.

ISSUE

The Whistleblower Policy requires the Internal Auditor to report outcomes of investigations annually. In accordance with Table 1.1 section 2(h) of *The Committee Bylaw, Bylaw No. 2009-40*, the Audit and Finance Committee is authorized to consider and make recommendations to Council on any communications from the Internal Auditor, including the annual report on the Whistleblower Policy.

This report is the Whistleblower Program Annual Report which includes outcomes of whistleblower complaints that were investigated and program usage statistics for the year 2025.

IMPACTS

Strategic Priority Impact

The Whistleblower Program Annual Report supports 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 impacts respecting this report.

OTHER OPTIONS

None with respect to this report.

COMMUNICATIONS & ENGAGEMENT

None with respect to this report.

DISCUSSION

The Whistleblower Policy provides a mechanism for employees to report wrongdoing related to the City in a confidential manner where fear of reprisal exists. “Wrongdoing” refers to any illegal, unethical or inappropriate conduct, including but not limited to:

- crime or suspected criminal activity;
- fraud and theft;
- the wrongful or unauthorized acquisition, use, appropriation or disposal of City assets, including monies, information, data, materials, labour or equipment, including furniture and fixtures;
- falsification, alteration, or manipulation of the City’s documents, records or computer files;
- the violation of public trust or duty;
- danger to public health or safety;
- the misuse of position for personal gain;
- financial irregularities, including but not limited to: forgery or alteration of cheques, drafts, promissory notes and securities; any misappropriation or mishandling of funds or securities; and
- any fraudulent claim for reimbursement of expenses by the City.

The Whistleblower Policy requires the triage team consisting of the Internal Auditor, Director of People & Organizational Culture (or designate) and the City Solicitor (or designate) to conduct initial reviews of complaints, manage the process for investigating complaints received under the policy and directs the Internal Auditor to annually report outcomes of whistleblower complaints that were investigated.

An independent third party has been engaged to provide Whistleblower Hotline services. Complaints received through the hotline are forwarded to the triage team for assessment and investigation. Allegations meriting investigation under the Whistleblower Program are typically investigated by designated personnel or an internal team, identified by the triage team, with support provided by resources within Administration. Where the nature of an allegation is such that greater independence, subject matter expertise or objectivity is warranted, the use of an external resource may be considered.

This report provides a high level de-identified summary of outcomes of investigations and includes program usage statistics for 2025. During this period, four complaints were received through the Whistleblower Hotline. Please refer to table below for usage statics:

Particulars	Number of Complaints for 2025
Complaints received	4
Investigated	2
Substantiated	0

All complaints received in 2025 were human resource related. Each whistleblower complaint was assessed in detail to determine whether it alleged a concern of the type to which the whistleblower process applies and whether it contained sufficient information to allow investigation. Based on the evaluation and assessment, an investigation was undertaken with respect to two of the four complaints. No further action was taken for the remaining two complaints because of insufficient information or because the complaints did not meet the Whistleblower Protection Policy threshold. In some cases, the complaints were passed on to other departments for further review. Of the two complaints that were investigated, neither was substantiated.

Although these complaints are not substantiated, they provide valuable insight and help identify opportunities for control improvement. Themes from these complaints are also used for selecting projects to be included in our Annual Audit Plan. Without a Whistleblower Hotline in place, it is likely that many of these complaints would not have been received by the City.

Fraud can occur in any organization, often within routine processes. To help employees recognize red flags early, and prevent issues before they grow, Internal Audit delivers monthly Fraud Awareness Training sessions. In 2026, four sessions have been held to date, with one additional session planned for June. Attendance has averaged 20 to 25 employees per session, representing a cross-section of departments, including Finance, Supply Chain, Human Resources, and Operations.

Post-session feedback has been highly positive, with participants assigning the sessions an average rating of 4.5 on a scale of 1 to 5 (where 4 denotes 'very good' and 5 denotes 'excellent'), indicating an enhanced understanding of fraud risks relevant to the City. A key component of each session is the introduction and reinforcement of the City's Whistleblower Program, including the dedicated Whistleblower Hotline. Employees are informed of the available reporting channels, the protections afforded to whistleblowers, and the importance of reporting suspected fraud or irregularities without fear of retaliation. Internal Audit anticipates that these sessions will enhance employee awareness of fraud risks, strengthen early identification of potential issues, and promote the timely reporting of concerns through appropriate channels.

The Internal Audit Department would like to thank employees for providing additional information as requested and Administration for their assistance provided to complete investigations. Reporting these matters so they can be assessed and investigated increases the City of Regina's transparency and accountability.

DECISION HISTORY & AUTHORITY

In accordance with Table 1.1 section 2(h) of *The Committee Bylaw, Bylaw No. 2009-40*, the Audit and Finance Committee is authorized to consider and make recommendations to Council on any communications from the Internal Auditor, including the annual report on the Whistleblower Policy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'V. Dhinakar', with a long horizontal flourish extending to the right.

Dhinakar, Viswanathan
City Internal Auditor

Prepared by: Dhinakar Viswanathan, City Internal Auditor