

November 1, 2024

Sikich LLC 1415 W. Diehl Road, Suite 400 Naperville, Illinois 60563 www.sikich.com

Point of Contact: Mary O'Connor, Principal Email: mary.oconnor@sikich.com

Phone: (708) 646-8737





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COVER LETTER

November 1, 2024

The Honorable Raymond R. Soliman Mayor, City of Crest Hill, Illinois 20600 City Center Blvd Crest Hill, IL 60403

Dear Mr. Soliman:

We appreciate this opportunity to present the City of Crest Hill, Illinois with our proposal to provide internal control review and consulting services. We believe that our qualifications, experience, and expertise are clearly distinguishable in our field.

The expertise that we possess in the government sector is demonstrated by our clients' successes, our staff's involvement in the industry, and our leadership roles in various professional organizations, including the Illinois Government Finance Officers Association.

Our team has performed services similar to those requested for numerous local government agencies and we are well-versed in issues these entities confront on a daily basis. As such, we will bring an unparalleled level of experience to this project.

We welcome the opportunity to meet again with your team to present our proposal. We look forward to the prospect of working with you.

Sincerely,

Mary O'Connor, ASA, CFE, CMI, CRE

Mary Conn

Principal Sikich LLC

CC: Mr. Michael R. Stiff, Attorney

Spesia & Taylor 1415 Black Road Joliet, IL 60435



PROPOSAL SUMMARY

Sikich has been asked by the City Council of the City of Crest Hill, Illinois (the "City") to propose a rigorous program of review of the certain human resources and financial functions generally of the City. The purpose of the review is to identify and evaluate the current control structure with the goal of improvement to ensure that (1) City Council policies are competently and legally implemented and administered; (2) that resources are not abused or wasted; and (3) that adequate controls have been installed to deter fraudulent activity.

Toward these ends, we propose a thorough review of certain operational functions including:

- 1. Human resources related to hiring,
- 2. Cash and receivables management,
- 3. Purchasing and procurement including bidding,
- 4. Disbursements management, and
- 5. Financial statement record keeping and ledger management.

Procedures will be performed as appropriate in each area, referred to as modules, to:

- 1. Map each function; identification of who, what, when, why and how work is performed,
- 2. Apply principles of separation of duties to note control deficiencies,
- 3. Interview personnel,
- 4. Perform certain procedures to assess possible fraudulent activities,
- 5. Recommend improvements to current practice, and
- 6. Report findings fully to the City Council orally and in written form.

All departments of the City will be reviewed to various extent during this process to include the City Administrator, City Clerk, Human Resources, City Engineer, Community Development, Public Works, Utility billing, Police, and Finance. City Council members will be regularly involved as findings are reported and policy needs are identified to implement improvements to existing operations.

Our tasks will be restricted to matters of financial controls and procedures related to the handling of monetary resources. Additionally, we will review certain human resources functions related to hiring. We will assume that the annual audit is performed competently and appropriately, and that certain representations such as pension costs, debt coverage, and tax base are calculated correctly. We will assume that the City Clerk performs the function adequately and that the municipal calendar is met.

Each module and related areas of focus and investigation are listed in the next section. The departments most involved in each module are also listed. Finally, we propose an estimated budget for each module. The work may be engaged as a whole or by module.



MODULES

MODULE	AREAS OF FOCUS	DEPARTMENT INVOLVEMENT	BUDGET
Human Resources	Position identification and approval Recruiting process	All departments	\$15,000
	Application and background checks		
	Interview and hiring process		
	Salary and wage offer		
	Onboarding		
	Payroll procedures		
Cash and Receivables	Receipts process; bank deposits	City Administrator	\$20,000
	Interdepartmental transfers	Human Resources	
	Potential for skimming or lapping activity	City Engineer	
	Revenue recording; write-offs	Community Development	
	Refund handling	Public Works	
	Building fees	Police	
	Utility billing	Finance	
	Tax revenue budgeting and receipts		
	Public Works fees		
	Other revenue		
	ACH and other electronic transfers		



MODULES

MODULE	AREAS OF FOCUS	DEPARTMENT INVOLVEMENT	BUDGET
Disbursements	Accounts payable process review	City Administrator	\$25,000
	Vendor review; inactive accounts	Human Resources	
	ACH and other electronic transfers	City Engineer	
	Vendor testing	Community Development	
	Procedures around vendor authorization	Public Works	
	Review signs of check tampering	Police	
	Voids and refunds process	Finance	
	Expense reimbursement process	City Clerk	
	Use of credit cards; delivery locations		
	Interagency transfers		
	Interdepartmental transfers		
	Employee hires and terminations		
	Wage and salary verification; benefits		
	Verify the payroll register		
	Payroll reconciliation process		
Fraud Incident Management Protocol	Planning	City Council	\$5,000
	Whistleblower system	City Administrator	
	Fraud prevention training for the City Council and staff	Finance	



MODULES

MODULE	AREAS OF FOCUS	DEPARTMENT INVOLVEMENT	BUDGET
Purchasing	Requisition process; authorization	City Administrator	\$10,000
	Identification of vendor	Human Resources	
	RFP or limit purchase handling	City Engineer	
	Purchasing award process	Community Development	
	Ordering, receiving and installation	Public Works	
	Invoicing and payment	Police	
	Vendor review; delivery review	Finance	
Financial Statement Reporting	Process to present data to City Council	City Administrator	\$15,000
	Management letter review	Finance	
	Audit process and personnel		
	Process for journal entries		
	Account reconciliations		
	Timeliness; cutoffs		
	Review of general ledger		
City Council Policy Workshop	To discuss issues where City Council policy	City Council	Hourly
	is required	City Administrator	
TOTAL			\$90,000
IOIAL			+ hourly



ENGAGEMENT TEAM BIOGRAPHIES

Mary O'Connor, ASA, CFE, CMI, CRE - Principal, Forensic & Valuation Services

Steve Randall, MBA – Principal, Governance, Risk & Compliance

Melanie Mui, CIA, CFE - Director, Governance, Risk & Compliance

Kate Burian, CPA, CFE – Senior Manager, Forensic & Valuation Services



MARY O'CONNOR

ASA, CRE, CMI, CFE

Principal, Forensic and Valuation Services

Mary O'Connor, ASA, CFE, CMI, CFE has worked exclusively in the field of valuation and financial forensics over her career. She specializes in business valuation and the appraisal of tangible and intangible assets for litigation and financial statement reporting with special focus in intangible assets in property tax appeal, securities, and transaction matters. She also possesses extensive experience with fairness and solvency opinions.

Mary has provided opinions to a wide variety of public and private clients in a range of industries including health care, governmental entities, agricultural businesses and food companies, senior living, technology, financial services, automotive, hospitality/gaming, manufacturing, natural resources, retail, utilities, waste management/recycling and real estate development. She has also provided litigation consulting and expert witness testimony to federal, state and local jurisdictions (including U.S. Tax Court, Delaware Chancery and Property Tax Appeals Boards) nationally and internationally in cases related to business valuation, lost profits damage analysis, diminution of business value, fraudulent conveyance, shareholder dispute, intangible assets in property assessment, breach of contract, fraud, estate taxation, marital dissolution, sale/leaseback, subrogation, ability to pay, insurance defense, condemnation and bankruptcy matters for both Plaintiffs and Defendants.

She is experienced in melding the skills of investigative accounting, valuation, economic analysis, fraud investigation and forensic technology in cases of all sizes. She has been called as an expert in large cases related to the 9/11 attack and has provided business valuations for diverse assets including the Polish Stock Exchange and the Chicago Bears. Mary has conducted many investigations of fraud and employee dishonesty for both publicly traded and privately held companies as well as municipal units and school districts.

SERVICE AREAS

- Dispute Advisory
- · Fraud Investigation
- Business Valuation

EDUCATION, CERTIFICATIONS, AND AWARDS

- Bachelor of Arts, University of Illinois at Urbana Champaign
- Master of Business Administration in Finance, Georgia State University
- Certificate in Fraud Examination, St. Xavier University, Chicago, IL
- · Certificate in Government Internal Control, University of Georgia
- American Society of Appraisers Accredited Senior Appraiser (ASA)
- Certified Fraud Examiner (CFE)
- Certified Counselor of Real Estate (CRE)
- Certified Member of the Institute for Professionals in Taxation (CMI)
- Recipient Katz Memorial Award for Excellence in Valuation Theory, American Property Tax Counsel (2023)
- Recipient Lifetime Achievement Award, American Society of Appraisers (2024)



LOCATIONS:
CHICAGO OFFICE

200 W. Madison St. Suite 3200 Chicago, IL 60606

NAPERVILLE OFFICE

1415 W. Diehl Road Suite 400 Naperville, IL 60563

P: 312.648.6652 F: 630.375.8831 mary.oconnor@sikich.com



STEVE RANDALL

MBA

Governance, Risk & Compliance Leader

Steve Randall, MBA, is the Governance, Risk & Compliance Leader and a principal at Sikich, who has over 30 years of management and consulting experience with specialized skills in project management, operational efficiency, and conflict resolution. Steve also possesses a depth of knowledge in business management, risk and internal controls. He provides independent counsel, identifies core issues, develops strategic solutions and offers leadership to clients facing challenges. Steve joined Sikich in 2023 through the acquisition of Vonya Global, where he was the managing partner.

Outside of work, Steve is passionate about children's physical, social and emotional development. Through his involvement in the Oz Park Baseball Association, a 501(c)3 accredited instructional baseball and softball league for children, he helped grow the league from 700 participants to nearly 1,500.

SERVICE AREAS

- · Consulting Services
- · Business Management
- Internal Controls

AFFILIATIONS

- · Oz Park Baseball Association (OPBA), President
- Institute of Internal Auditors, Chicago Chapter, Two-term Past President, Past Executive Vice President, Past Secretary
- · Adler-Caris Foundation, Past Board Member
- · Chicago Youth Baseball Initiative, Past Advisory Board Member

EDUCATION

- Bachelor of Science, Business Administration & Management, The Ohio State University
- · Master of Business Administration, Lewis University

AWARDS

 Chicago Chapter William C. Anderson Member of the Year, Institute of Internal Auditors, 2021



LOCATION: CHICAGO OFFICE 200 W. Madison St.

Suite 3200 Chicago, IL 60606

P: 312.764.5244 steve.randall@sikich.com



MELANIE MUI

CIA, CFE

Internal Audit Director

Melanie Mui, CIA, CFE, is an Internal Audit Director of Sikich's Governance, Risk and Compliance services. She has more than 20 years of experience serving a variety of industries, including manufacturing, energy, government, and non-profit. Melanie continues to demonstrate the ability to lead, motivate and manage teams across multiple locations for the delivery of high-quality services.

Prior to joining Sikich, Melanie began her career at Deloitte, worked for WEC Energy Group, and the City of Chicago Inspector General's Office. One of her career highlights is identifying the loss and mismanagement of over \$1.25 million in pharmaceuticals and violations of federal regulations of the Department of Public Health's Pharmacy Warehouse, resulting in DEA license revocation and ceased operations. The audit report was featured in local media coverage.

Melanie has conducted risk assessments and scoping, internal control walkthroughs, and internal control operating effectiveness testing. She has also assisted companies meet the internal control requirements of the Sarbanes-Oxley Act (SOX).

Her expertise includes financial, regulatory, and operational audits, as well as fraud investigations. She has knowledge of ACL, TeamMate, AuditBoard and is also conversational in the Cantonese language. In addition to her role with Sikich, Melanie is a CrossFit coach at Coalition Strength and Conditioning in Chicago. Melanie joined Sikich in 2023 through the acquisition of Vonya Global.

SERVICE AREAS

- Internal Audit
- Compliance
- Sarbanes-Oxley
- Process Improvements
- Manufacturing & Distribution
- Government & Law
- Fraud Investigations
- Internal Controls
- Business Consulting

AFFILIATIONS

- Institute of Internal Auditors (IIA), Chicago Chapter
- Association of Certified Fraud Examiners

EDUCATION

- Bachelor of Science in Commerce and Accounting, DePaul University
- Certification in Diversity, Equity and Inclusion, University of South Florida

CERTIFICATIONS & AWARDS

- Certified Internal Auditor (CIA)
- Certified Fraud Examiner (CFE)
- 2022 Institute of Internal Auditors Auditor of the Year Chicago Chapter



LOCATION: CHICAGO OFFICE 200 W Madison St. Suite 3200 Chicago, IL 60606

P: 312.660.1941 melanie.mui@sikich.com



KATE BURIAN

CPA, CFE

Senior Manager, Forensic & Valuation Services

Kate Burian, CPA, CFE, has over 16 years of experience in public accounting, with a specialization in white collar and corporate investigations, consulting services for government and school entities, and dispute resolution. In her fraud-related work, Kate conducts investigations of alleged fraud, evaluates systems and procedures for control weaknesses, recommends appropriate controls to prevent fraud, and provides fraud prevention training.

Her prior experience includes providing audit and attestation services to notfor-profits and affordable housing organizations. This includes work under Government Auditing Standards (Yellow Book), Uniform Guidance for Single Audits, and reporting and compliance under HUD and state/local organizations.

Kate has served on the Board of Directors for the Chicago chapter of Step Up, a national not-for-profit mentoring organization, as well as a firm ambassador and committee member for the Illinois CPA Society.

SERVICE AREAS

- White Collar & Corporate Investigations
- Government & School District Investigations
- Dispute Resolution

AFFILIATIONS

- American Institute of Certified Public Accountants (AICPA)
- Illinois CPA Society, former Co-Chair of the Young Professionals Group and Firm Ambassador
- Association of Certified Fraud Examiners (ACFE)
- Step Up, Committee Member and Board Alum
- World Business Chicago, Economic Growth Fellow Alum

EDUCATION AND CERTIFICATIONS

- · Bachelor of Science in Accounting, University of Illinois at Chicago
- · Master of Science in Accounting, University of Illinois at Chicago
- · Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)



LOCATION: CHICAGO OFFICE 200 W. Madison St. Suite 3200 Chicago, IL 60606

P: (312) 648-6658 kate.burian@sikich.com