



**City of East Peoria
Accounts & Finance**

MEMORANDUM

TO: Mayor John P. Kahl and Members of the City Council

FROM: Jeffery M. Becker, Finance Director/Treasurer

SUBJECT: Resolution No. 2324-019 – FY22-23 Audit Preparation

DISCUSSION: The City's needs additional help in preparing for the FY22-23 audit that will be performed by CliftonLarsonAllen. In previous years the City had engaged Heinold-Banwart for this service, Heinold-Banwart has since merged with Sikich who will be performing the service this year. The need for assistance is due to a vacancy in the Accounts & Finance department in addition to the staff working on the Tyler ERP system. The engagement with Sikich is at a rate of \$190 per hour up to 200 hours, the total is not to exceed \$38,000.

RECOMMENDATION: Approve

RESOLUTION NO. 2324-019

East Peoria, Illinois

_____, 2023

RESOLUTION BY COMMISSIONER _____

WHEREAS, CliftonLarsonAllen LLP (“CLA”) is under contract to currently prepare the City’s annual audit for the fiscal year ending April 30, 2023; and

WHEREAS, in order to prepare for the audit process with CLA, the City has engaged Heinold Banwart, Ltd. (“Heinold”) in past fiscal years for assistance with pre-auditing services that include assembling and preparing the necessary documents and information for the audit process; and

WHEREAS, Heinold has merged with Sikich LLP (“Sikich”), and Sikich has submitted a proposal to perform these pre-auditing services for the City’s annual audit for the fiscal year ending April 30, 2023 under the terms and conditions set forth at “Exhibit A” as attached hereto (the “Sikich Proposal”); and

WHEREAS, the City seeks to approve the Sikich Proposal for the pre-auditing services for the City’s annual audit for the fiscal year ending April 30, 2023;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. Sikich is hereby awarded the contract for certain pre-auditing services for the City’s annual audit for the fiscal year ending April 30, 2023.

Section 2. The Mayor or his designee is hereby authorized and directed to accept the Sikich Proposal by executing a contract with Sikich LLP, as provided in Exhibit A, together with such changes therein as the Mayor in his discretion deems appropriate, at a total cost not to exceed of \$38,000.00; provided, however, that the City shall have no obligation under the Sikich Proposal until such time as written acceptance of such proposal has been delivered to Sikich.

APPROVED:

Mayor

ATTEST:

City Clerk



1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

May 15, 2023

Mayor and City Council
City of East Peoria
C/O Mr. Jeff Becker
Finance Director
401 W. Washington Street
East Peoria, Illinois 61611

Ladies and Gentlemen:

This will confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide to the City of East Peoria (the City).

First, it is important that you understand that our services will not satisfy any requirements for an audit in accordance with generally accepted auditing standards. We are accepting this engagement as accountants rather than as auditors. Therefore, we request that you do not record this as an audit engagement in your minutes and other memoranda.

The services that we are proposing to provide are for assistance with audit preparation for the year ended April 30, 2023. A detailed outline of these services is attached in Appendix A.

We can begin these services on mutually agreed-upon dates upon the return of this signed engagement letter. These services will be provided both at the City's offices during normal business hours and remotely at our discretion.

Management of the City acknowledges their responsibility in fact and appearance to make informed judgments on the results of the services described above and in the attached listing. Mr. Jeff Becker has been designated as the responsible party for oversight of the services being provided, including monitoring of the performance of the procedures to make sure that management's objectives are being met. Management also will evaluate adequacy of procedures performed and review and approve findings resulting therefrom. Management also will make any decisions involving management functions related to the performance of services indicated and will accept full responsibility for such decisions. Management will also establish and maintain internal controls, including monitoring ongoing activities.

The services outlined above will be provided by Anna Cadmus, Senior Manager and other staff or senior accountants as needed under the direct supervision of Brian D. LeFevre, engagement partner. Assistance to be provided by your personnel, including access to all financial records, general ledger, and other information we will need to complete the engagement will be coordinated with Mr. Jeff Becker, Finance Director.

Our fees for these services will be based on the actual time spent on the engagement at an hourly rate of \$190. Services will be invoiced to you from time to time as work progresses. In accordance with Illinois Compiled Statutes, payments for all services are due within sixty days of receipt of an invoice.

All information obtained in the course of performing our agreed professional services, including but not limited to, statements, records, schedules, working papers, memorandums, reports, and all other documents and work product prepared by Sikich, will be considered confidential matters not to be disclosed to any other person or persons without your prior written permission, unless otherwise required pursuant to professional standards, statutory or regulatory authority, or court order. The foregoing obligation of confidentiality shall not apply to any information that was in the public domain at the time of the communication thereof to Sikich.

The City hereby explicitly acknowledges and consents to Sikich's use of third party cloud computing services to store confidential and proprietary information and other data of the City, and agrees that Sikich's use of such cloud services coupled with the use of encrypted devices, password protections and firewall protection shall constitute the best efforts of Sikich to safeguard such information and data from unauthorized disclosure. The City further agrees that, subject to applicable law, Sikich shall only be liable if it has finally judicially been determined that Sikich did not take commercially reasonable measures to protect the confidential and proprietary information and other data of the City from unauthorized disclosure.

You agree that our maximum liability to you, the City or any related party thereto, for any matters related to this engagement will be limited to the amount of fees we receive for this engagement, except to the extent that such liability was the result of our gross negligence or willful misconduct.

You and the City agree to indemnify and hold us, our partners and employees, harmless against any damages, costs, expenses or fees arising out of any claims by third parties related to our provision of Services under this engagement agreement, provided that the Employer will have no indemnity obligation to the extent that a court of competent jurisdiction finds that any third party liability was caused by our gross negligence or willful misconduct in connection with the Services performed hereunder. You acknowledge and agree that in no event shall we be liable for any incidental, indirect, punitive, special or consequential damages related to the Services provided under this engagement.

In the event of a dispute related in any way to our Services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. To the extent not preempted by the Illinois Freedom of Information Act, the mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be

admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees. For the avoidance of doubt, and notwithstanding the foregoing, mediation shall not be the exclusive remedy for any dispute regarding the Services provided hereunder; the parties shall have the right to pursue any and all remedies available at law or in equity. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Sikich LLP acknowledges that, pursuant to Section 45(b) of the Illinois Personal Information Protection Act (815 ILCS 530/45(b)), it is obligated to implement and maintain reasonable security measures to protect personal information from unauthorized access, acquisition, destruction, use, modification, or disclosure.

We appreciate the opportunity to be of service to the City of East Peoria and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described above, please sign one copy of this letter in the space provided and return it to us.

Sincerely,

Sikich LLP
By: Brian D. LeFevre, CPA, MBA
Partner

Response:

This letter correctly sets forth the understanding of the City of East Peoria.

By: _____
J

Title: Mayer

Date: 5/15/2023

CITY OF EAST PEORIA
APPENDIX A: SERVICES TO BE COMPLETED
APRIL 30, 2023

The following services may be provided by Sikich, except for services deemed unnecessary or to be completed by City staff:

- Prepare work papers, account analysis, and proposed journal entries for the April 30, 2023 audit as directed by the Finance Director.
- Other services as requested by the Finance Director.