

PALM BEACH COUNTY  
BOARD of COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 05/15/2007

Consent  Regular  
 Public Hearing

Department:

Submitted By: Internal Auditor's Office

**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to approve:

- A) Amendment No. 3 to the contract (R2004-1796) with Joseph Bergeron, Internal Auditor; extending said contract for one additional year ending on August 16, 2010; and
- B) Recommendations of the Audit Committee for salary adjustment for the period August 17, 2007 through August 16, 2008.

**Summary:** The Audit Committee, at its March 14, 2007 meeting, unanimously approved recommending a 7% salary adjustment, the same percentage increase provided to other County employees for FY 2007 and a one year extension of the Internal Auditor's contract. The Audit Committee's recommendations result in a salary of \$135,663 and a contract expiration date of August 16, 2010. This item is presented to the Board at this time to comply with the 90 day notice requirement of the contract. Countywide (PFK)

**Background and Policy Issues:**

The Audit Committee conducted an evaluation of the Internal Auditor at its March 14, 2007 meeting covering calendar year 2006. Six of the seven members submitted evaluations. Three evaluations gave an "exceeds expectations" rating and three evaluations gave a "meets expectations" rating. Copies of the evaluations are attached to this agenda item. Future performance evaluations will be conducted each March for the calendar year just ended.

The Audit Committee unanimously approved recommending a 7% salary adjustment and an extension of the contract for another year with a new expiration date of August 16, 2010. The 7% salary increase is based on County wide salary increases included in the FY 2007 budget for base salary and merit.

**Attachments:**

- Amendment No. 3 to contract (R2004-1796)
- Annual Performance Evaluations (6)

Recommended by: Joseph F. Bergeron Internal Auditor 4-17-07 Date

Recommended by: [Signature] County Administrator 4-20-07 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2007	2008	2009	2010	2011
Capital Expenditures					
Operating Costs	17,280	132,763			
External Revenues					
Program Income (County)					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>	17,280	132,763			
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes X No  
 Budget Account No.: Fund 0001 Agency 500 Org. 5000 Object 1201  
 Program Number \_\_\_\_\_ Revenue Source \_\_\_\_\_

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Contract Element	Current	Proposed	Change
Salary (7% increase)	126,788	135,663	8,875

Department Fiscal Review:

\_\_\_\_\_

III. REVIEW COMMENTS:

A. OFMB Fiscal and/or Contract Administration Comments:  
*Net Fiscal Impact includes Deferred Comp & CAR allowance*

*James G. ... 4-23-07*  
 \_\_\_\_\_  
 4/20/07 Budget/OFMB  
 CN 4/17/07

*Dr. J. ... 4/26/07*  
 \_\_\_\_\_  
 Contract Administration  
 Jones 4/25/07

B. Legal Sufficiency:

This amendment complies with our review requirements.

*Paul F. ... 4/27/07*  
 \_\_\_\_\_  
 Assistant County Attorney

C. Other Department Review:

\_\_\_\_\_  
Department Director

This summary is not to be used as a basis for payment.

**Amendment No. 3 to Contract Between  
Palm Beach County  
And  
Joseph Bergeron, Internal Auditor**

**This amendment No. 3** dated May 15, 2007 to the contract dated August 17, 2004 (R2004-1796 as amended by R2005-1030 (5/17/05), and R2006-0801 (5/2/06) between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County", and Joseph Bergeron, hereinafter referred to as "Internal Auditor", an individual residing at 13689 Exotica Lane, Wellington, Florida 33414.

**Witnesseth:**

**Whereas**, the parties hereto have previously entered into an employment contract dated August 17, 2004 (R2004-1796 as amended by R2005-1030 (5/17/05), and R2006-0801 (5/2/06); and

**Whereas**, the contract will automatically renew under the same terms and conditions unless terminated by either party in accordance with Section 5 of the employment contract; and

**Whereas**, the parties hereto desire to amend the contract to reflect these changes.

**Now therefore**, in consideration of the mutual covenants hereinafter set forth and for other such good and valuable consideration, the receipt of which the parties hereto expressly acknowledge, the parties agree as follows:

1. Section 1 of the employment contract is amended to read:  
The County shall employ Joseph Bergeron (hereinafter "Internal Auditor") as the Internal Auditor of Palm Beach County pursuant to the Charter of Palm Beach County for a period of three (3) years beginning August 17, 2007. The County shall pay the Internal Auditor a salary of \$135,663 per year, payable biweekly and a continuing contribution on behalf of the Internal Auditor into the NACO Deferred Compensation Program amount of 50% of the maximum basic contribution allowed by law exclusive of any catch-up provisions allowed by law. In addition, the County shall pay the Internal Auditor a car allowance of \$550.00 per month. This Agreement shall continue on the same terms and conditions as herein provided for additional one year periods, unless terminated by either party in accordance with Section 5 of this Agreement.

2. All other terms and conditions of the employment contract shall remain in full force and effect.

This amendment shall be effective following execution hereof by the parties hereto.

**In witness whereof**, the parties hereto have set their hands and seal on the day set forth above.

Attest:

Sharon R. Bock, Clerk & Comptroller

Palm Beach County, Florida

By Its Board of County

Commissioners

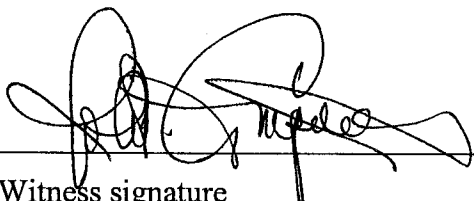
By: \_\_\_\_\_


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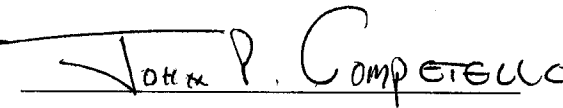
Addie L. Greene, Chair

Witness for Internal Auditor

Internal Auditor

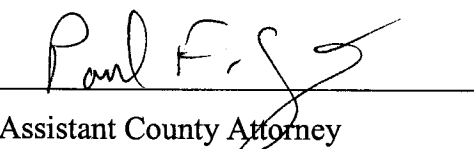
  
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Witness signature

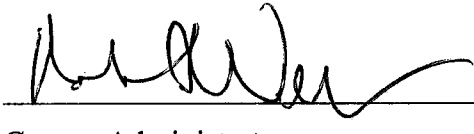
  
\_\_\_\_\_  
Joseph F. Bergeron

  
\_\_\_\_\_  
Witness printed name

Approved as to form and legal sufficiency

Approved as to form and content

  
\_\_\_\_\_  
Assistant County Attorney

  
\_\_\_\_\_  
County Administrator

## **Considerations for the Internal Auditor's Annual Performance Review**

The evaluation criteria should reflect some or all of the following factors:

- Compliance with Palm Beach County Charter requirements
- Compliance with Audit Resolution
- Compliance with Generally Accepted Governmental Auditing Standards (GAGAS)
- Relationship of the Internal Auditor with the Audit Committee
- Relationship of the Internal Auditor with County management
- Degree of accomplishment of the annual audit plan
- Degree of accomplishment of objectives from annual budget
- Management of the audit staff
- Leadership skills demonstrated
- Results of periodic peer reviews

One matter that should be considered relevant to each of the factors listed above is the ability of the Audit Committee to have access to information relating to the evaluated measures.

Other matters relevant to the performance evaluation process would be developing mutual agreement as to the performance items to be evaluated at the beginning of the evaluation period, agreeing on the weights (if any) to be assigned to the factors and what scale (if any) to be used to rate each factor.

The Palm Beach County Charter states that the Internal Auditor shall be responsible for conducting post audits and performance audits for all departments, divisions, regulatory boards and advisory boards under the BCC in all financial matters relating to their official capacity.

The Audit Resolution (R2005-0372 2/15/05) establishes requirements for the scope of audits, the annual audit plan and the content of audit reports. The Resolution also requires that audits be conducted according to GAGAS. There is significant detail in GAGAS on the requirements for specific audit engagements but no direction on the annual audit plan. The Institute of Internal Auditors standards require the annual audit plan to be risk based, consistent with the organization's goals and developed with input from senior management and the Board.

GAGAS require audit reports to be timely, complete, accurate, objective, convincing, clear and concise. These requirements are specific to performance audits which represent the vast majority of audits currently conducted by the Office.

**Annual Performance Evaluation  
Palm Beach County Internal Auditor  
Joseph Bergeron  
For the Calendar Year Ended December 31, 2006**

**Overall Evaluation of Performance**

(See "Considerations for the Internal Auditor's Annual Performance Review" which are attached.)

- Exceeds Expectations \_\_\_\_\_
- Meets Expectations   X
- Needs Improvements \_\_\_\_\_ (must provide explanatory comments)

Evaluator: John F. Koons Date: 03/12/07  
Signature  
John F. Koons

**Comments (optional, unless Needs Improvement selected)**

It was an interesting year for Internal Auditing. The change for  
meaningful audits was started, and the results were "meaningful."

The TDC and CVB issues were a good example of Internal Auditing  
stepping up to the issue and helping define the problem. Interesting  
set of people and organizations.

It was a good year.

Kim Seena  
Inty ACBIT

**Annual Performance Evaluation  
Palm Beach County Internal Auditor  
Joseph Bergeron**

**For the Calendar Year Ended December 31, 2006**

**Overall Evaluation of Performance**

(See "Considerations for the Internal Auditor's Annual Performance Review" which are attached.)

- Exceeds Expectations ✓
- Meets Expectations \_\_\_\_\_
- Needs Improvements \_\_\_\_\_ (must provide explanatory comments)

Evaluator: Donald Miller  
Signature

Date: 3/8/07

**Comments (optional, unless Needs Improvement selected)**

Joe demonstrates solid understanding of P.B. County Charter requirements, his responsibilities and GACRAS. He carries out his duties in a very conscientious manner and complies with all relevant requirements. Joe seems to have a very good working relationship with County management and the Board of County Commission. He is very responsive to the needs of the county and shows a willingness to help in whatever area his expertise is needed. Specifically, he volunteered his job to attend to requests to assist in the Convention Center investigation. Joe also has a good relationship with the Audit Committee and is willing to accept suggestions from the Committee!





3/19/2007

**Joe Bergeron Evaluation  
Palm Beach County Internal Auditor**

MAR 20 2007

Meets Expectations

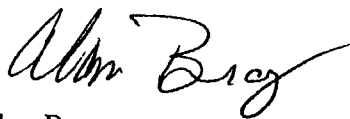
**Comments**

Joe is effective in reporting audit activities to the committee and is good at follow-through. However there are areas where improvements could be made.

- Trying to determine the degree of completion of the annual audit plan is difficult. A report showing the number of audits started, in-process and completed with corresponding percentages would be beneficial.
- Audits identified in the audit plan are vaguely described and often the scope of the audit is very narrow. A more clearly defined audit scope should be developed and presented to the committee in the future.
- The structure of the Audit Committee should be re-examined. Government Auditing Standards issued by the Comptroller General of the United States state:

**In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, should be free both in fact and appearance from personal, external, and organizational impairments to independence.**

Allowing the County Administration to be a voting member of the Audit Committee is an organizational impairment to the Internal Auditor. There needs to be an arms length relationship between Internal Audit and County Management, with the Commissioners participation on the Committee as voting members.



Alan Bray  
Manager, Audit Services  
Palm Beach County Clerk & Comptroller

**Annual Performance Evaluation  
Palm Beach County Internal Auditor  
Joseph Bergeron  
For the Calendar Year Ended December 31, 2006**

**Overall Evaluation of Performance**

(See "Considerations for the Internal Auditor's Annual Performance Review" which are attached.)

- Exceeds Expectations ✓
- Meets Expectations
- Needs Improvements (must provide explanatory comments)

Evaluator:



Signature

James L. Davis, Palm Beach County Sheriff's Office

Date:

3/13/07

**Comments (optional, unless Needs Improvement selected)**

Mr. Bergeron,

Your challenges will continue to be the effort to prioritize the daunting volume of audit assignments, given the limited staff resources you have. Keep up the good work!



